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FBIS-SOV-91-204 CONTENTS *22 October 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

INTERNATIONAL AFFAIRS

Arms Control & Disarmament

- Expert Calls Russia's Arms Proposals 'Hasty' *[INTERFAX]* 1

Worldwide Issues

- Spokesman Reports on Gorbachev's Madrid Visit *[Madrid Radio]* 1
- Further Reportage on IMF Meeting in Bankok 1
  - Yavlinskiy Gives Speech, Part I *[Bangkok THE NATION 17 Oct]* 1
  - Part II *[Bangkok THE NATION 18 Oct]* 3
  - Yavlinskiy Comments on Aid *[TASS]* 6
  - Expert Discusses Future of Aid *[INTERFAX]* 6
  - Provisions of Aid Examined *[KOMSOMOLSKAYA PRAVDA 18 Oct]* 6
  - IZVESTIYA on Deliberations *[18 Oct]* 7
- General Lobov Summarizes European Visit *[Radio Rossii]* 8

Northeast Asia

- Japanese Trade Minister Nakao Visits 8
  - Meets Gorbachev, Discusses Ties *[TASS]* 8
  - Meets Silayev, Reviews Aid *[TASS]* 9
  - Discusses Business Priorities *[INTERFAX]* 9
- Commentary Warns Against Haste Over Kurils *[IZVESTIYA 19 Oct]* 10
- DPRK Envoy on U.S. Nuclear Arms Proposal *[Moscow International]* 10
  - Nuclear Issue Viewed *[Moscow International]* 11

Southeast Asia & Pacific

- More on Rogachev Remarks on Cambodian Issue *[IZVESTIYA 22 Oct]* 11

Near East & South Asia

- More on Foreign Minister Pankin Mideast Tour 12
  - Views Jordan Talks, Peace Conference *[TASS]* 12
  - Departs Jordan for Egypt *[TASS]* 12
  - Arrives in Egypt *[TASS]* 12
  - Cairo Arrival Statement *[TASS]* 13
  - Meets Egypt's Mubarak *[TASS]* 13
  - Meets Egypt's Foreign Minister *[TASS]* 13
  - On Talks With Foreign Minister *[TASS]* 13
  - Outcome of Tour Assessed *[IZVESTIYA 22 Oct]* 13
- Relations With Israel Assessed *[INTERFAX]* 14
- Belonogov Interviewed on Peace Conference *[Paris LIBERATION 18 Oct]* 15
- Syrian Communists' Forum Examined *[PRAVDA 19 Oct]* 16

East Europe

- Bulgarian President Zhelev Begins Visit *[TASS]* ... 16
  - To Meet Gorbachev, Yeltsin *[Moscow Radio]* ... 17
  - TASS on Importance of Visit ... 17
- Bulgarian Election Results Analyzed *[PRAVDA 18 Oct]* ... 18
- Serbian, Croatian Officials on Strife *[PRAVDA 16 Oct]* ... 18

West Europe

- Diplomats Expelled From Norway *[TASS]* ... 19
- Italian President Pardons Soviet Citizen *[TASS]* ... 19
- Finnish Minister's Stance on Border Viewed *[IZVESTIYA 21 Oct]* ... 20

Latin America & Caribbean

- Cuba Withdrawal Talks Begin 'End of October' *[INTERFAX]* ... 21

NATIONAL AFFAIRS

Supreme Soviet

- 'Reshuffled' Legislature To Open 21 Oct ... 22
  - Laptev Expresses Concerns *[TASS]* ... 22
  - Has 'Outlived Itself' *[Moscow TV]* ... 22
  - Pre-Session Preparations *[PRAVDA 21 Oct]* ... 23
- Supreme Soviet Session Opens 21 Oct in Moscow ... 24
  - Session Opened by Oldest Deputy *[Moscow Radio]* ... 24
  - Gorbachev Address *[Moscow Radio]* ... 25
  - Gorbachev Speaks to Journalists *[INTERFAX]* ... 29
  - New Chairman Elected *[Moscow Radio]* ... 29
- Nishanov, Laptev Resign Powers *[Moscow Radio]* ... 29
- Presidium Session Ends on 'Sorry Note' *[IZVESTIYA 21 Oct]* ... 29
- Communist Party Group To Continue Activities *[Radio Rossii]* ... 30

Political & Social

- Economic Union Treaty Signing Assessed ... 30
  - Leaders Remark After Signing *[IZVESTIYA 22 Oct]* ... 30
  - Ukraine Urged To Join *[Moscow International]* ... 30
  - Economic Treaty 'First Step' *[PRAVDA 21 Oct]* ... 31
- Legislative Action on Budget Deficit Urged *[IZVESTIYA 21 Oct]* ... 31
- Gorbachev Decrees Radio, Television Provisions *[SEM DNEY 21-27 Oct]* ... 32
- Political Parties on Union, Initiatives, Prices ... 32
  - Zhirinovskiy Urges Workers' Resistance *[INTERFAX]* ... 32
  - Medvedev Remarks on Party Revival *[Moscow International]* ... 33
  - 'Free Prices' Derided *[TASS]* ... 33
- Union of Labor Collectives Holds Congress *[TASS]* ... 33
- Trade Unions To Rally 23 Oct Near Kremlin *[TASS]* ... 34
- Attempted Coup Investigation Still in Progress ... 34
  - Investigators Encounter Difficulties *[Radio Rossii]* ... 34
  - Ivashko Denies Complicity *[TASS]* ... 34
  - Stepankov Interview *[Moscow TV]* ... 34

Economic

- IZVESTIYA Views Statistics, Predictions ... 35
  - Currency Situation 'Depressing' *[IZVESTIYA 22 Oct]* ... 35
  - 'Chaos Reigns' in Food Sector *[Berlin ADN]* ... 36
  - 'Unhappy Picture' *[PRAVDA 18 Oct]* ... 36
  - 'Deep Financial Crisis' *[INTERFAX]* ... 37
  - 'Things Will Get Much Worse' *[Hamburg DER SPIEGEL 21 Oct]* ... 39

Status of Food Production Facilities Examined *[IZVESTIYA 18 Oct]* ... 41
Laws To Regulate Foreign Capital Necessary *[INTERFAX]* ... 42
Arguments for Joint Railway Network 'Obvious' *[TASS]* ... 43

Military

Troops To Be Reduced by 700,000 *[TASS]* ... 43
Shaposhnikov To Visit Germany 11-13 Nov *[TASS]* ... 43
Shaposhnikov Message on Battle Anniversary *[KRASNAYA ZVEZDA 16 Oct]* ... 43
Kobets: Doctrine for 'Prevention of War' *[IZVESTIYA 21 Oct]* ... 44
Abolition of Army Political Bodies Described *[Radio Rossii]* ... 45

BALTIC COUNTRIES

Baltic Affairs

Baltic States May Obtain NATO Membership *[BALTFAX]* ... 46

Estonia

Finance Ministry Prepares Draft Budget *[BALTFAX]* ... 46
Council Continues Citizenship Bill Discussions *[TASS]* ... 46
Early Elections for Local Councils Held *[TASS]* ... 46
Poll: Few Communists Want Party Dissolution *[BALTFAX]* ... 46

Latvia

Belgian Minister Initially Not Allowed To Land *[Radio Vilnius]* ... 47
  Foreign Minister Holds Meeting, Departs *[Riga Radio]* ... 47
Gasoline Supply 'Crisis' Develops *[Riga International]* ... 47
  Russia To Cut Oil, Gasoline *[Riga International]* ... 47
Customs Head on Accord With USSR *[BALTFAX]* ... 47
Council Adopts Citizenship Resolution 17 Oct *[Riga Radio]* ... 48
Economic Accord Discussed With Tajikistan *[BALTFAX]* ... 48

Lithuania

Azubalis Denies Plan To Share USSR's Debt *[BALTFAX]* ... 48
Request Made for Troop Withdrawal To Begin *[Radio Vilnius]* ... 48
Official on Former Communist Leaders' Status *[BALTFAX]* ... 48
Landsbergis Interviewed on Polish Relations *[Warsaw PAP]* ... 49
Landsbergis' 10 Oct News Conference Reported *[EKHO LITVY 11 Oct]* ... 49

RSFSR

Supreme Soviet

Text of Yeltsin Message on Elections Published *[ROSSIYSKAYA GAZETA 19 Oct]* ... 50
Voronin on Yeltsin Meeting With Legislators *[ROSSIYSKAYA GAZETA 18 Oct]* ... 50

Federation Affairs

Yeltsin Ready To Impose State of Emergency *[Berlin Radio]* ... 51
Yeltsin Decree Sets Centralized Supply Rules *[ROSSIYSKAYA GAZETA 19 Oct]* ... 51
Calls for Detailed Economic Program Ridiculed *[ROSSIYSKAYA GAZETA 19 Oct]* ... 51
Economy Said in 'Catastrophic State' *[Russian TV]* ... 52
Rutskoy Criticizes Idea of Siberian Republic *[TASS]* ... 52
Silayev Interviewed on Rural Issues, Reforms *[Moscow TV]* ... 53
State Council Members Hold News Conference *[Moscow Radio]* ... 54
DPCR To Claim Share of CPSU Money *[IZVESTIYA 21 Oct]* ... 54

'Autumn Days of Unity' Declared 21-26 Oct 54
  Council Orders Talks on Demands *[PRAVDA 21 Oct]* 54
  Unions To Hold Meetings *[TASS]* 54
  Confederation Backs Demonstrations *[TASS]* 55
Former Officers To Establish Voluntary Union *[TASS]* 55

Local Affairs

Birobidzhan Workers Demand Higher Salaries *[TASS]* 55
New Buryat Supreme Soviet Leader Elected *[Moscow Radio]* 55
Buryatia To Boost Foreign Economic Activity *[TASS]* 56
Reportage Continues on Chechen-Ingush Situation 56
  Ingush Want To Stay in Russia *[IZVESTIYA 21 Oct]* 56
  Elders, Clergy Support Congress *[TASS]* 56
  Dudayev on Military Clash Prospects *[KOMSOMOLSKAYA PRAVDA 22 Oct]* 56
  TV Reports on Seismic Activity *[TASS]* 57
Kuzbass Medics Strike Over Work Conditions *[TASS]* 57
Moscow Deputies Urge Return of Church Property *[INTERFAX]* 57
N. Ossetia Parliament To View Joining South *[INTERFAX]* 57
Yeltsin Representative in Orel Holds Briefing *[Radio Rossii]* 58
Tatar Party To Struggle for Independence *[INTERFAX]* 58
Yeltsin Greets Soviet German Congress *[TASS]* 58
Democratic Party Supports German Autonomy *[TASS]* 58

Media

Moscow's Luzhkov Threatens To Sue TV Company *[IZVESTIYA 21 Oct]* 59

International Affairs

St. Petersburg, Estonian Leaders Meet 21 Oct *[TASS]* 59
Brzezinski, Austrian Leaders Visit Kaliningrad *[TASS]* 59
Sakhalin Governor Comments on Kurils Dispute *[PRAVDA 19 Oct]* 59
Working Group Visits Hokkaido To Enhance Ties *[Moscow Radio]* 61
Khasbulatov Receives Korean Entrepreneurs *[INTERFAX]* 61
Yeltsin To Return German Art Treasures *[Berlin ADN]* 62
Democratic Party Calls For End to Cuban Aid *[INTERFAX]* 62

WESTERN REPUBLICS

Moldova

Popular Front Steps To Confrontation Noted *[INTERFAX]* 63

Ukraine

Kravchuk Confirms Economic Treaty Signing *[Moscow Radio]* 63
Rukh's Drach Assesses Independence *[Warsaw TYGODNIK POWSZECHNY 13 Oct]* 63
Political Tensions in Crimea Analyzed *[IZVESTIYA 17 Oct]* 66

CAUCASUS

Georgia

Opposition Party Holds Rally in Tbilisi *[INTERFAX]* 70
President Suspends Abkhazian Resolution *[SVOBODNAYA GRUZIYA 10 Oct]* 70
Troops Make 'Favourable' Impact in Tskhinvali *[TASS]* 70

Armenia

Official Meets Visitors, Views Economic Treaty *[Yerevan International]* 71

Ter-Petrosyan Seeks Permanent Observers *[TASS]* 71
Further on Permanent Observers Role *[INTERFAX]* 71
Interior Minister Views NKAO Tensions *[INTERFAX]* 72
Ter-Petrosyan Wants To Meet Aliyev *[Yerevan International]* 72

Azerbaijan

Mutalibov Comments on Uzbekitstan Accord *[Moscow TV]* 72
Supreme Soviet Approves Independence Act *[Baku Radio]* 73
Popular Front Contemplates Provocation *[INTERFAX]* 73
Party Official on Army Formation, Tasks *[TASS]* 73
Decree on Improving State Structures Reported *[Moscow Radio]* 73

Nagorno-Karabakh Autonomous Oblast

Russian, Kazakhstan Observers Continue Work *[TASS]* 73

CENTRAL ASIA

Kazakhstan

Transport 'Breakdown' Causes Bread Shortage *[IZVESTIYA 19 Oct]* 74

Tajikistan

State of Emergency Declared 'Illegal' *[TASS]* 74
Supreme Soviet To Discuss Islamic Party Ban *[INTERFAX]* 74
Foreign Ministry Talks With Afghan President *[INTERFAX]* 74

Turkmenia

Democrats Hold Constituent Congress *[INTERFAX]* 75
President To Pay Official Visit to Turkey *[INTERFAX]* 75

Uzbekistan

People's Movement Registration Delayed *[KOMSOMOLSKAYA PRAVDA 18 Oct]* 75

Arms Control & Disarmament

Expert Calls Russia's Arms Proposals 'Hasty'

OW2110211191 Moscow INTERFAX in English 1759 GMT 21 Oct 91

[Following item transmitted via KYODO]

[Text] An expert of the USSR Foreign Ministry has told IF's [INTERFAX's] reporter that Russia's proposals on cuts in tactical and strategic arsenals are "hasty and excessively emotional." He noted that any initiative in the area of nuclear disarmament should be well thought over.

"It's too little to say that we are ready for one-half and even more substantial arms cuts," the expert said. "We should think whether plans of this kind are realistic, considering their scale, time limits, costs and consequences."

The Foreign Ministry expert on arms limitation and disarmament recalled that during the US Deputy Secretary of State Reginald Bartholomew's recent visit to Moscow, which heard the discussion of the anti-nuclear initiatives advanced by George Bush and Mikhail Gorbachev, "the parties made a lot of statements that were untimely, and hence, irresponsible." Among these he listed the call by some ex-Soviet republics for dual control over nuclear weapons. "If someone suggests having one red button in Moscow and another in Kiev, he is bound to be a time-server," the expert observed.

In his view, the sovereign states' desire to be international legal entities and parties to talks on disarmament is "a different sort of thing." Their stands were taken into account during the drafting of the latest initiative, and they will be invited to take part in the future negotiations on the entire package of disarmament-related problems, the Foreign Ministry official said.

Worldwide Issues

Spokesman Reports on Gorbachev's Madrid Visit

LD2110132491 Madrid RNE-1 Radio Network in Spanish 0900 GMT 21 Oct 91

[Text] Soviet President Mikhail Gorbachev will travel to Madrid on 28 October, according to his spokesman, Andrey Grachev, in Moscow. Gorbachev will have talks in the Spanish capital with his U.S. opposite number, George Bush, on 29 October as well as with Spanish leaders. On 30 October Bush and Gorbachev will preside jointly at the opening of the Middle East peace conference.

Further Reportage on IMF Meeting in Bankok

Yavlinskiy Gives Speech, Part I

BK1710073191 Bangkok THE NATION in English 17 Oct 91 p B7

["Summary" of speech given by Grigoriy Yavlinskiy, Soviet delegate to the World Bank/IMF meeting, in Bangkok, Thailand on 16 October—Part I]

[Text] Transition of the Soviet Union to democracy and a market economy is contingent on overcoming a heavy legacy of the totalitarian system which dominated the country for over 70 years. Creation of new democratic institutions and elements of market relations is accompanied by a profound economic crisis. Apparently the future of the country's peoples to a large extent depends on how we manage to overcome economic problems.

Decline in the production output, inflation and aggravation of problems in the area of foreign economic activities—these are the prevailing features of 1991.

Decline in the production has affected all sectors of national economy. In 1991 the GNP will have declined roughly by 12 percent, the industrial output—by 9 percent and the agricultural production—by 10 to 11 percent.

The crisis caused by structural factors has been further aggravated due to dramatic cuts in imports—in January-August of 1991, volume was 45 percent lower than in the same period of the last year. During the first 8 months of this year, export declined by 27 percent—basically as a result of an overall decline in the production of energy. A switchover to freely convertible currencies in financial settlements of the USSR with the countries of Eastern Europe has played a major role in the decrease of the foreign trade turnover.

Investment activities are on the decline, too. The overall volume of investments in 1991 will decline by at least 20 percent, the volume of capital assets being put into operation will decline by 25 percent. The volume of budget investments is declining especially rapidly.

The situation with state finances remains difficult. State budget revenues at all levels are on the decline due to the drop in production and reductions in foreign trade profits. At the same time social security expresses continue to grow.

Decentralization has resulted in a lack of coordination of budget policies among the republics. As a result, the deficit of the Union budget in 1991 will amount to more than 120 billion roubles. The aggregate deficit of the republican budgets will be about the same size while, according to the estimates, the deficit of extra- budgetary funds will be no less than 80 billion roubles.

Basically the budget deficit is being financed through the credits of state banks. Money-printing has increased sharply. The amount of cash money in circulation in June-August of this year has been increasing by more than 15 billion roubles monthly although in January-May of this year the volume of cash money remained stable.

A more than two-fold increase of the wholesale prices last January and of retail prices last April stabilised the situation only for two months and eventually only boosted the prices-incoming spiral.

Between January and August of 1991 incomes of the population were 64 percent higher than in the same period of the last year and in August alone the income growth wass 91 percent. The income growth rate is higher than the increase rates of people's expenses on goods and services.

For the time being the country has no reliable system of determining price indices and rates of inflation. Official data do not fully reflect the pattern of price increases. According to those official data, in 1991 the aggregate index of retail prices of consumer goods and services constituted 1.96 of the index in 1990. The majority of experts predict a dramatic acceleration of the inflation rate in the last quarter of this year.

Despite the growth of nominal wages, the actual income of the population has declined considerably, the share of expenses for food in the overall amount of consumers' expenses has increased sharply, retail trade turnover in comparable prices has declined by more than 12 percent.

The problem of unemployment, which so far is being alleviated by providing unpaid vacations and subsidies to loss-making enterprises will be aggravated within the next few months.

The economic crisis has caused high social tensions which last spring provoked mass strikes in the coal mining industry and an increase in the amount of compensation money paid to the population during the price increases.

The decline of production output is expected to continue in 1992, although at a lower rate than in the current year. This concerns the majority of macroeconomic indices, too.

Nonetheless elements of market relations developed vigorously in the economy. Due to a lack of adquate information and other factors both Soviet and Western analytical experts do not usually take into account the qualitative changes taking place in the Soviet economy.

However there are remarkable indices reflecting the rapid pace in the development of individual elements of market relations: for instance, establishment of over 400 exchanges during one year virtually without any state support or a six-fold increase in the number of farm economies in Russia during the first half of the year alone. The number commercial banks, share-holding societies and other structures is growing at the same rapid pace.

However, of much greater importance are the factors changing economic behaviour of the state sector taking into account the fact that the state still remains the main property owner in the economy. Motives governing the adoption of decisions are being changed at such enterprises and their actual commercialization is taking place in the conditions of weakening state paternalism.

Following the collapse of the coup d'etat in September 1991, we witnessed cessation of the face-off between the republican and central authorities. The republics faced the task of creating bodies that would coordinate their actions in the common economic space and granting to those bodies the powers sufficient for implementing the tasks of stabilizing the economy and carrying out economic reforms. The republics should set up an institutionalised system of economic interaction that would be comprise the following key elements:

—Treaty on Economic Community;
—Inter-republican agreements for resolving problems in individual branches of the economy—both fundamental (establishment of a Bank Union etc.) and current problems (for instance, budget agreements for the coming year etc.)
—Programme of actions within the framework of the Economic Community.

A constitutional law determining the structure of the Union state bodies during the transition period was adopted at the beginning of September. The USSR State Council headed by the USSR President and comprising the leaders of sovereign republics is the supreme body of state power in the country. The Supreme Soviet of the USSR which is the body of legislative power in the Union is now being reorganized.

A direct involvement of a number of senior figures of the USSR government in an attempted coup d'etat resulted in the dissolution of the government. The Committee for the Operational Management of the National Economy of the USSR consisting of representatives of the republics was entrusted with the day-to-day management of the economy.

Intensive consultations were conducted over the past September among the republics on concluding the Treaty on Economic Community and determining the functions of the Inter-republican Economic Committee which actually is the executive body of the Economic Community.

On October 1, the draft treaty was initialled by the prime ministers and plenipotentiary representatives of 12 sovereign republics and then signed by the heads of state of three of the republics. Five more heads of state plan to sign this document before October 15. Under the Draft, the Treaty shall enter into force from the time of its ratification by the parliaments of three republics.

The Treaty sets forth common goals, basic principles and mechanisms of interaction within the framework of the Economic Community as well as determines the powers and structure of its bodies. The provisions of the Treaty are to be specified in greater detail in more than 30 agreements on specific issues and representatives of the republics and independent experts are presently working on these agreements.

There are plans to sign these agreements within 2 to 3 months and after that some of them will be submitted for ratification to the parliaments of the republics.

The Treaty together with the package of agreements establishes an institutional basis for inter-republican interaction in the area of economy, sets forth the purposes and mechanisms for carrying out economic reforms.

The sovereign states have already recognized as their common goals radical economic reforms, the overcoming of the crisis and integration into the world economy. They have confirmed their desire to preserve the benefits of economic integration.

Under the Treaty, the full members of the Community shall jointly apply macroeconomic controls on their territories. To this end they shall:

- —maintain a single monetary system and the rouble as their common currency;
- —establish, along the lines of a reserve system, an independent bank union bringing together the central banks of the member states of the Community and pursuing common monetary and credit policies;
- —pursue coordinated budgetary policies aimed primarily at limiting state budget deficits and coordinating taxation policies;
- —conclude a customs union, establish uniform external custom tariff and eliminate internal restrictions on the flow of goods;
- —unify and harmonize the economic laws of the member states of the Community, recognize that the Treaty, the agreements thereto and the Community's legislative acts take precedence over republican laws within the limits of the Community's terms of reference;
- —the member states of the Economic Community shall agree on their joint membership in the IMF, the World Bank, GATT and other international economic institutions.

Republics not wishing to accede to the Treaty as full members may acquire the status of associate membership by joining the Customs Union, recognizing free enterprise and protecting property rights on their territories. An associate member of the community shall coordinate its own monetary, credit and budgetary policies with the full participants in the Treaty through special agreements.

All republics shall ensure the fulfillment of the USSR's domestic and foreign obligations and have agreed on a common mechanism for foreign debt-servicing. The full members of the Community will pursue a common policy of transition to an internally convertible rouble.

The Economic Community shall have the following institutions:

- —the Council of the Heads of Government of the Member States;
- —the Interstate Economic Committee;
- —the Bank Union;
- —the Court of Arbitration of the Economic Community.

The Interstate Economic Committee as the Community's executive body shall coordinate the economic policies of the states party to the Treaty and shall supervise bodies established to control specific directions of policy and specific spheres of economy.

In the coming weeks each republic will decide whether it wishes to become a full member of the Economic Community or to join it as an associate member. The relatively high degree of economic interdependence of the former constituent republics of the USSR and their shared concerns raise hopes that most of them will accede to the Treaty as full members of the Economic Community.

The republics will carry out the reforms independently uniting their efforts in the areas where it is required. Coordination of efforts in many spheres of economic policy—privatization, land and housing reforms, social polices, etc.—will not be as close as in the areas listed above, but it will also require its own mechanisms.

The conclusion of the Treaty on Economic Community, the shared objectives and the desire of most of the republics to implement comprehensive economic reform allow to proceed to the preparation of a detailed reform programme. In this context, assistance from experts of international economic institutions may prove crucial.

Part II

BK1810050191 Bangkok THE NATION in English 18 Oct 91 p B9

["Summary" of speech given by Grigoriy Yavlinskiy, Soviet delegate to the World Bank/IMF meeting in Bangkok, Thailand on 16 October—Part II and last]

[Text] The transformation of the existing economic system into a market system in the Soviet Union during the past year proceeded against the background of falling production and rising inflation. The following features have been characteristic of this process:

- —Slow progress of economic reform and gradual creation of legal and institutional frameworks for a market economy. A number of highly important laws and legislative acts were adopted (on enterprises, privatization, joint stock companies and emission of securities, etc), government agencies were established or assumed new functions with a view to regulate the operation of a market economy (the antitrust committee, committees on privatization, the land reform, the new functions of the State Bank of the USSR, etc) the system of stock exchanges and commodity exchanges has been developing rapidly as well as commercial banks, price liberalization, etc.
- —Persistence of unresolved or partly resolved fundamental problems of economic reform. For example, no laws on bankruptcy, mortage, circulation of securities, etc. have been adopted, the implementation of antitrust policies has virtually not yet started, privatization programmes or plans are non-existent, etc.
- —The spontaneous nature of liberalization of economic relations and commercialization of state-owned enterprises.

—The "forced" nature of the reforms pursued by the state: they were only implemented when and where it was otherwise impossible to get at least partial solutions. This was the case with the price reform, devaluation of the rouble and liberalization of foreign currency regulation, development of commodity exchange trade patterns, and reforms in other areas.

—Drastic curbing of actual interference in the economy by the state, which can be largely explained by the incoherence and lack of harmonization of laws and decisions passed by different levels of government (the Union-republics-local authorities), as well as the state's self-alienation from the real management of enterprises.

This resulted in government economic controls becoming very weak and the economy virtually getting out of control. It is already quite evident that the methods which have been used for implementing reforms over the last few years proved to be inefficient. Hence, the principled approaches must be changed. If the economic reform is to succeed, the state must show a sense of initiative in implementing changes, legalize spontaneous processes and bring them into the legal and institutional frameworks of a market economy, whereas in many instances such frameworks are yet to be established.

Stages of reform

So far there is no programme of reforms agreed on by the republics. However, there is an understanding with respect to the order of steps which must be taken to lead the country out of the crisis.

In this chapter we will briefly touch only on the major and principled elements of the plan of economic reforms in the country taking into account that a specific and detailed work on the programme of practical steps to be taken in the economy within the framework of Economic Community has already begun. Besides, a number of measures being envisaged by that programme should not be publicly discussed.

The first stage will be a preparatory one. Success of the reform will in large measure depend on how strong a basis for such reform is created by the efforts which are being taken already today. Several objectives would be achieved to put this reform in motion.

First, in order to carry out a number of fundamental transformations aimed at stabilizing and liberalizing the economy it is necessary to harmonize the efforts of the republics forming a single currency, customs and trade zone. Legally this system will be established through the Treaty on Economic Community and inter- republican agreements based on it which are currently being drawn up.

Second, concurrently with the elaboration of inter-republican agreements it is necessary to work out and implement with the framework of the Economic Community Treaty a procedure approving an economic programme of action. This programme will be based on the Treaty establishing institutional structures for implementing macroeconomic regulation with in the framework of the Economic Community.

It would be advisable to elaborate it in close cooperation with international economic organizations, primarily the International Monetary Fund, the group of World Bank, the European Community and OECD by using the funds provided by those organizations and industrially developed nations for the purpose of technical assistance.

The USSR has already concluded an agreement in "special associated" with the IMF, it is engaged in intensive technical cooperation with the European Community, some countries are providing technical assistance on a bilateral basis, and an agreement on technical cooperation with the World Bank is being prepared for signature.

Already at this stage it is necessary to take a number of urgent measures to streamline legislation, toughen the monetary policy, reduce the budget deficit, liberalize prices, privatize, forming currency markets and devaluating the rouble, implementing the land reform and creating an institutional market infrastructure (banks, exchanges etc).

During the second stage of primary importance will be the practical implementation of an elaborated reform programme comprising the following elements:

1. Macroeconomic stabilization. At present the bank system is virtually incapable of conducting a coordinated, much less uniform policy in the field of monetary circulation because budgets of different authorities are not coordinated among themselves, as a result, monetary and budget policies are geared to meet the current needs of governments and legislative bodies and have an openly inflationary nature in most of the republics.

The system for controlling budget deficits defined in the Treaty and the Agreements will allow a stabilization of state finances. Here, the expenditures will be cut by nominal freezing and decreasing (in real terms) the defence spending, streamlining the managerial staff, eliminating subsidies and freeing social programmes. A tax reform should also be carried out with an increase of the indirect taxation share as well as with more stiff responsibilities for tax evasion.

If is necessary to reorganize the banking sphere: merging of central republican banks for carrying out a single monetary policy (Bank Union), division of accounts and "capitalization" of commercial banks, reorganizing central banks activities for an indirect control of money circulation and credit through discount rates, reserve requirement and operations on the securities markets. This will permit to establish a system, which will implement a stringent policy aimed at limits for borrowing and the mass of money in circulation. The next step is to put an end to financing state expenditures by central banks of the republics and the successor of the State Bank of the USSR.

2. Liberalization of economic relations. Actually, liberalization of prices has to a large extent already taken place due to the poor control over flows of goods sold at state prices. They have been taken over by the commercial channels—selling them at free prices, using them for barter exchanges etc. Because the state has "voluntarily" abandoned the functions of direct management of enterprises, reduced subsidies and introduced new taxes, we are witnessing large-scale and spontaneous commercialization of state-owned enterprises.

It is necessary to legalize those actually existing relations and place them on a sound legislative footing. Next we should carry out an extensive liberalization of all kinds of prices. State control over prices may apply only to a limited range of basic consumer goods and certain kinds of fuel and raw materials, and transport services.

The volume of state orders will be reduced dramatically to no more than 20-30 percent of the production volume. Furthermore the state orders will be placed at contract prices. It is also necessary to carry out a wage reform for the purpose of liberalizing the labour market and forming the mechanism for collective bargaining and tariff agreements between employers, trade unions and the state.

3. Introduction of convertibility of the rouble for current operations and liberalization of foreign trade. Starting from late 1990, liberalization of currency regulation has been under way, and it has become possible to buy and sell currency at market rates (with a large number of restrictions, so far). Concurrently we have toughened regulation of foreign trade, introduced taxes on exports and imports and raised customs duties. Since mid-1991, the right to grant licenses and fix quotas in most goods has been transferred to the republics, but they are in no hurry to abolish foreign trade restrictions.

The Economic Community Treaty provides for independent regulation of foreign economic activities by its member states. However the Community has set itself the immediate goal of achieving convertibility of the rouble for current operations.

It is necessary to carry out liberalization of foreign trade and abolish the most of quotas, and to make the rouble convertible with respect to current operations inside the country. To this end it is necessary to carry out the rouble's evaluation and conduct currency interventions by the state on the domestic market. Taking into considertion the low competitiveness of Soviet products and the need to stabilize the balance of payments it is necessary to elaborate and put into effect a programme of step-by-step reduction of customs tariffs.

4. Privatization. The present-day situation is characterized by the uncertainty and disputability of the rights of ownership in the Soviet Union. The existing legal relationships have lost their clarity due to contradictions in the laws which regulate the process of changing owners and owing to conflicts between state power bodies at different levels, the spontaneous on-going process of privatization and the increasing corruption in the state apparatus.

The share of non-state owned property remains negligible and the state (represented by different bodies of power) continues to retain in its ownership land and natural resources, as well as means of influence on state enterprises (such as replacement of management or closure), though to a large extent these rights have become purely formal.

Under the Treaty, the member states of the Economic Community recognize that private property, free enterprise and competition represent the basis for the rise of the national economy. They agree to bring close together their economic legislation standards and see to it that they conform to the standards of international law. This creates a basis for regulating the rights of ownership.

Privatization will be largely decentralized in accordance with the republics' legislations.

5. Interim measures. In order to ease the consequences of a drastic change in the conditions of enterprise activities and in the people's way of life a set of interim measures—shock-absorbers—are required. They include the renunciation of an abrupt cessation of housing and communal transport subsidies, indexation of population revenues, the preservation of budget subsidies for a fixed number and limited list of basic-food stuffs.

What is also needed is interim taxation of export and import which would cushion equalization of the level of domestic prices of energy and some other commodities with the world level, but which at the same time would not require the preservation of rigid administrative controls over their production and distribution, as well as some other measures.

Toward the end of that stage of the reform a market mechanism must come into action accompanied by internal incentives for the development of the country's economy; the basis will be formed for subsequent active economic growth, and living standards will stabilize and start rising step-by-step.

At the third stage of the reform the major goals would be long-term institutional and structural transformations related, in particular, to the increasing scale and deepening of privatization, activization of the private sector of the economy, formation of a work-force market, a housing market, and financial markets.

At this stage there exist favourable (though risky) conditions for foreign private investments including those for the development of consumer goods production, for the consolidation of the export basis of the Soviet economy, for the implementation of the conversion programme, etc.

The potential of the country, the courage and determination of its people will be crucial during the transition to a market economy. The peoples of the country will carry out reforms in any event, the republics that have joined the Economic Community can and indeed, should mobilize their tremendous potential, i.e. great natural and human resources.

Nevertheless, the hardships that the country is to go through on the way it has embarked upon will largely depend on the extent of its cooperation with the international community, including financial assistance, from the latter.

Barriers to be cleared, a rate of progress, a scale of difficulties that the peoples of the country will have to go through, and the risk of failure, that may easily turn into a catastrophe—all this depends both on the Economic Community members and on the involvement of other countries and international organizations in the process of the Community's economic transformation.

Yavlinskiy Comments on Aid

LD2010130291 Moscow TASS International Service in Russian 0352 GMT 20 Oct 91

[By TASS diplomatic correspondent Andrey Pershin]

[Text] Moscow, 20 Oct (TASS)—"We did not ask for money, we never thought of it. It is not the place to request money." This is how Grigoriy Yavlinksiy commented on the press claims that the Soviet delegation to the just-ended annual meeting of the IMF in Bangkok "received advice instead of money". The head of the delegation returned to Moscow from Thailand today.

Top professionals in the field of finance met in Bangkok. Our aim, Yavlinskiy continued, was to discuss the plans of the Soviet Union and the republics. Representatives of the G-7 will come to Moscow shortly to continue the dialogue.

Yavlinskiy described as "exaggerated" reports that the Ukraine had taken steps towards independent membership of the IMF. He said the deputy chairman of the board of the Ukrainian Central Bank in fact went to Bangkok with the aim of "establishing contacts there."

In this connection Yavlinskiy noted that if the republics wanted to join the IMF, "let them try." The idea of the republics becoming members of the IMF was a "very good one."

Commenting on the specific nature of the Bangkok meeting, Yavlinskiy said: "From their position, specialists see how alarming our situation is and how we are threatened by a deepening of the present trends in the economy." That was why the forum's attention was centerd on the USSR's economic problems.

He confirmed that in Bangkok the question of the USSR's gold reserves was raised. In connection with the statement by former head of the Soviet government Nikolay Ryzhkov on the state of the county's gold reserves, Yavlinskiy stressed that he himself had used official figures he had obtained from people "with direct responsibility for this." He said he would have the opportunity to talk about this publicly. According to him, on 1 January 1992 the gold reserves will amount to 240 tons.

Expert Discusses Future of Aid

OW2110180691 Moscow INTERFAX in English 1519 GMT 21 Oct 91

[Following item transmitted via KYODO]

[Text] "We won't get a cent from the West as long as we can't clear up the situation inside the country," said an expert from the Soviet Foreign Ministry's Department of International Economic Relations in an interview with "DP" [Diplomatic Panorama]. The expert had just returned from meetings in Bangkok with the "Big Seven" and the IMF and World Bank. "It was clearly explained that there won't be any type of aid as long as the question of whom to do business with in the USSR remains unclear," the expert declared.

"In Bangkok we explained long and hard how the course of reforms would develop in our country. But we will be given aid only for those programs and reforms which suit our partners. Everybody wanted the past union republics to enter into an Economic agreement, so that there would be "someone" with whom it would be possible to conduct business on a Union level. When such an agreement was finally signed in Moscow last Friday, the meetings in Bangkok were already over and the participants were packing their bags," the member of the Soviet delegation continued.

In his opinion, it will take about ten months to decide whether or not to grant the USSR full membership in the International Monetary Fund. "There are no technical difficulties here, only political difficulties. The IMF refuses to accept our political muddle; it wants to do business with a united USSR as an legal international entity," remarked the expert.

The deputy finance ministers of the "Big Seven" will arrive in Moscow on October 26th to conduct talks with union and republican leaders and representatives of financial departments.

Provisions of Aid Examined

PM2110105391 Moscow KOMSOMOLSKAYA PRAVDA
in Russian 18 Oct 91 p 1

[Correspondent A. Kabannikov report: "I Came. I Saw. And I Quit. Postscript to the Bangkok Meeting"]

[Text] Hanoi—"A World Bank or a Bank for the Soviets"—this was the headline a Bangkok newspaper gave its commentary on the meeting of the world's most important bankers and financiers. This time the debtors stood right up on tiptoe and waved their arms about in an agitated fashion, afraid of remaining unnoticed behind the massive bowed back of supplicant number one. On the eve of the preceding session of the meeting between finance ministers from the seven economically developed countries, IMF experts estimated that a sum of $100 billion would be needed this year to eliminate the consequences of the war in the Persian Gulf zone, the unification of Germany, and the implementation of market reforms in the USSR and former communist bloc countries.

In Thailand the West demonstrated its commitment to the model for mutual relations with the USSR that was worked out at the G-7 meeting in London. They are prepared to help us in principle. Moreover, they are prepared to give us a substantial amount of aid. But what are they going to do in specific terms? First of all we must submit our own clear-cut program of market reforms that satisfies the West by its in-depth and radical nature, we must clearly define the financial obligations of the center and the republics with regard to credits, and we must guarantee that these will be repaid in the future. Finally, we must publish all information about the economic and financial situation in the country.

The economists' last demand is ironically being described as the hardest to accomplish because, even with the best will in the world, it is hard to provide trustworthy and exhaustive information given the present statistical chaos and treachery. On the whole, however, it was obvious that since July we have certainly not succeeded in explaining to the West what help we require, who these colossal sums are going to, and what they will be spent on. But bankers prefer things to be completely definite.

Our country's representatives in Bangkok hardly confirmed this feeling in them. Grigoriy Yavlinskiy, deputy leader of the Committee for Operational Management of the USSR National Economy, stated that the path to reforms lies through a single currency and close collaboration between the republics and the center based on the economic agreement between them that is ready to be signed. However, another equally prestigious specialist—economic adviser O. Bogomolov—said that he does not believe in an economic union: The republics do not trust the center, and their parliaments will hardly support the agreement or implement it. In Bogomolov's opinion, it is not worth wasting time reanimating a single currency. Instead, Russia should use drastic measures to stabilize its own monetary system and thus guarantee its independence. He was seconded by the Ukrainian representative A. Savchenko: His republic will go its own way, establish its own currency, and wants to be an independent member of the World Bank and the IMF. Yavlinskiy retorted: "How on earth can you talk about this now, when the Ukraine cannot even find the $12 million necessary to buy a press to print its money?"

It is worth noting that, in discussing plans for urgent aid in terms of goods, food, and medicines amounting to (a figure of $7.5 billion has been mentioned), the (G-7) countries have determined at any rate that they will not let us starve. [sentence as published] The developed countries have nevertheless not gone as far as deferring interest payments on some earlier loans, as the United States and Japan proposed. The European countries considered that this would not go any way toward benefiting the Soviet economy. And one of the Italian experts stated bluntly that although Moscow is having difficulty paying off its debts, the situation has not yet become dramatic. Thus in order to service a foreign debt estimated at $68 billion, we will still require about $10 billion more this year. It is curious that even the Soviet side is not insisting on any indulgences.

IZVESTIYA on Deliberations

PM2110103991 Moscow IZVESTIYA in Russian 18 Oct 91 Union Edition p 5

[Report by special correspondent N. Paklin in Bangkok and V. Mikheyev in Moscow: "The 'Moneybags' Go Their Separate Ways. Annual Joint Session of IMF and World Bank Has Ended in Bangkok"]

[Text] The members of our delegation submitted a report on the state of affairs in our economy and ways to implement economic reform in our country. They had to explain every line and every figure in our economic statistics. At a meeting with us in camera British experts spent two hours poring over the figures in our tabulations and asked many questions not just about particular numerical indicators but also what they represent today and what they will represent tomorrow.

The Italian delegation held a prolonged discussion about the methods and ways in which our currency reserves are formed. The new president of the World Bank, the American banker L. Preston, devoted a 90-minute conversation exclusively to the problems of the banking system. These talks turned out to be a very difficult professional test for our delegation. It appears that we passed.

"The USSR's problems clearly dominated the work of the G-7 in Bangkok," Preston stated. "I have had extremely useful conversations with G. Yavlinskiy about what is happening in the Soviet Union. It is very important for us to understand the difficulties that this country is coming up against. The USSR has asked us to grant assistance. We are prepared to do so."

Yes, we can count on getting considerable assistance from the West. But whether we get it or not depends purely on us. The West is uneasy about our political instability. It was no accident that U.S. Treasury Secretary N. Brady noted in his speech the emergence of dangerous centrifugal tendencies in certain countries. Paradoxically enough, the West appears to be more interested in creating a new Union structure in our country, and primarily an economic community, than some of our politicians. What it will look like is another matter.

A great many things are still causing problems for our foreign partners. Even Soviet delegation head Yavlinskiy, REUTER reports, could not assess with absolute accuracy the domestic economy's need for financial injections from the West. REUTER notes: "Since Yavlinskiy was openly arguing with members of his own delegation, and the Soviet Ukrainian Republic has announced its intention to obtain IMF membership independently, the G-7 has decided to send its experts to Moscow to obtain information and get a picture of the state of affairs on the spot."

Symptoms of the formation of an unexpected "anti-Soviet" and anti-East European lobby emerged in Bangkok. Indonesian Finance Minister Sumarlin expressed profound resentment at the circumstance that technical experts from the World Bank were called away from his country and delegated to assist the Soviet Union. He expressed the hope, which many Third World countries share, that assistance to East Europe and the Soviet Union would not be granted "at the expense of the developing states."

But the suspicions remain. The members of the G-7 were not at the session of the board of governors of the IMF on 13 October. Instead, they discussed their position on the USSR for the second day running.

One result of the concluded session, it may be said, is that accord was reached among the richest states that the granting of assistance to the Soviet Union in one form or another is only a question of time. At the same time, IMF experts are predicting that the hunger for financial investments on the part of East Europe and the expenditure involved in eliminating the consequences of the gulf war may lead to a rise in the discount rate and slower rates of economic growth worldwide.

Preparing to join the IMF as a plenipotentiary member is an important task for the USSR, Yavlinskiy said at a news conference in Bangkok. It now has associate-member status. In order to resolve this question, the Soviet Union must urgently elaborate a technology for the preparation of statistics that would satisfy generally accepted standards; must resolve the problem of relations with the republics; and must define the nature of an economic union. According to Yavlinskiy, it will take nine months to join the IMF.

Yavlinskiy pointed out the extremely serious situation in the country's economy. Any analyst would say that this is the end. However, such an outcome must be avoided, since we are talking about a huge country with a nuclear potential. The USSR may survive as such until the spring. If the situation does not change, anything could happen. Today the country has debts to the tune of $70 billion. However, this is not that much for the USSR, which possesses a huge potential. It is important that, if problems arise, it will be able to overcome these with the assistance of the G-7.

If the 12 republics do not sign the economic treaty, Yavlinskiy noted, then serious problems will arise. In particular, the problem of borders. A total of 88 percent of the border line is not fixed. Without a treaty, it is hard to carry out economic transformations. However, these transformations must not take place in parallel with political ones. This will prove impossible, Yavlinskiy said. The people are no longer in a position to endure pressure from two sides.

General Lobov Summarizes European Visit

LD1910145391 Moscow Radio Rossii Network in Russian 1000 GMT 19 Oct 91

[Text] We have an almost identical view of the world, the development of the situation in Europe, and the development of relations between our countries and armies. This is how Army General Vladimir Lobov, the chief of the General Staff of the USSR Armed Forces, characterized the results of the official visit to France that ended on 18 October. The Soviet military delegation discussed with the leadership of the French Armed Forces problems of security in Europe, the question of reduction of conventional weapons and the numerical strength of the armed forces in Europe, and U.S. American and Soviet initiatives in the area of nuclear disarmament.

Northeast Asia

Japanese Trade Minister Nakao Visits

Meets Gorbachev, Discusses Ties

LD2110214591 Moscow TASS in English 2125 GMT 21 Oct 91

[Text] Moscow October 21 TASS—Soviet President Mikhail Gorbachev today received Japanese Minister of International Trade and Industry Eiichi Nakao.

The sides discussed bilateral relations, profound changes that have occurred in the perception of mutual images, and the crucial importance of the president's meetings with Japan, its parliamentarians, politicians and workers of culture last April.

It was stated that a sound and fruitful balance of the economy and politics have been established in the relations, in which politics played the first role for a long time.

Gorbachev highly praised the humanitarian aid rendered to the Soviet Union by the Japanese public in a difficult moment, the determination of the government and business community to form a new type of mutually beneficial cooperation with an accent on such promising areas as power engineering, oil processing, the development of small and medium businesses and conversion.

Gorbachev and Nakao noted the significance of the recent Moscow visit of Japanese Foreign Minister Taro Nakayama, and a considerable progress in mutual understanding in the sphere of the preparations of a peace treaty, from which, as meeting participants noted, the two friendly neighbouring states will begin their movement along the path of development and prosperity.

The sides also touched upon issues of the Asia-Pacific region, including interaction of major states in the sphere of the Pacific Ocean.

Meets Silayev, Reviews Aid

LD2110220191 Moscow TASS International Service in Russian 1915 GMT 21 Oct 91

[By diplomatic correspondent Vasiliy Titov]

[Text] Moscow, 21 Oct (TASS)—Ivan Silayev, chairman of the interrepublican economic committee, has said that the most effective way to solve the problem of territorial demarcation between the USSR and Japan may be to expand economic cooperation and integration. He said this during a conversation with Eiichi Nakao, Japan's minister of international trade and industry, who is in the Soviet Union on a two-day visit.

The meeting today was dedicated to the discussion of the possible directions of Soviet-Japanese economic cooperation and the use of the $2.5 billion worth of emergency economic aid allocated by Japan.

Eiichi Nakao said the Japanese side is ready to lend assistance in the development of such sectors of the Soviet economy as oil and gas extraction, the electrical engineering industry, and the manufacture of consumer goods.

He also intends to allocate the necessary resources for investment insurance as an incentive to Japanese private companies to increase investments in the USSR's economy. Eiichi Nakao said this "will lessen the fears of some Japanese entrepreneurs of investing in Soviet industry."

The Japanese minister also informed Ivan Silayev of Japan's readiness to lend the Soviet Union technical assistance and expert aid in the sphere of nuclear power engineering, conversion, and the organization of small and medium-sized businesses. He said Japan's experience here may "be very useful for the reform of the Soviet economy."

Discussing the prospects for the interaction of the sides, the Japanese minister did not hide the fact that in planning concrete steps his government proceeds from the premise that the Soviet Union must clear off all old and new credits.

Ivan Silayev confirmed interest in the intensive and consistent development of Soviet-Japanese economic cooperation. He said the Soviet Union plans to react "adequately" to the concrete steps planned by Japan in this sphere.

Having expressed gratitude for the emergency economic aid lent, Ivan Silayev said the Soviet side intends to dispose of it effectively, having directed the allocated resources toward resolving the most acute problems, including the food problem. He stressed, moreover, that the interrepublican committee, which began to operate following the signing of the economic agreement, should be regarded as a guarantor of the implementation of the commitments to clear off credits.

Ivan Silayev said Russia can and should play a considerable role in the development of bilateral cooperation. Japan should take account of its share in the Soviet economy and emphasize the development of contacts with the republican government. This should also be borne in mind when planning joint projects concerning individual regions. "The resources of the Far East and Siberia lie exclusively within the jurisdiction of Russia," he stressed.

Discusses Business Priorities

OW2110221591 Moscow INTERFAX in English 1959 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] During his Monday [21 October] meeting with Ivan Silayev, head of the Committee for the Operational Management of the National Economy, the Japanese Foreign Trade and Economics Minister Eiichi Nakao said that Japan is ready to help the Soviet Union implement a number of projects expected to enlarge the USSR's hard currency reserves. Mr. Nakao said Japanese entrepreneurs would like to take part in founding a Soviet oil corporation and organizing the manufacture of sophisticated electrical goods, primarily household appliances, in the USSR. He described conversion, atomic power and assistance to small private business in the USSR as the priority directions of Japanese-Soviet cooperation.

Mr. Nakao stressed the point that the regular payment of current and future debts by the Soviet Union would be a "must" for efficient bilateral cooperation.

Mr. Silayev assured the guest that all the current and future credits facilitating the development of the interrepublican community would be "received and paid off by the central structures," including the USSR Foreign Economic Bank which "has already been imbued with the appropriate powers."

The Japanese minister said that the $1.8 billion credit offered to the Soviet Union a few weeks ago as part of the general assistance plan worth a total of $2.5 billion was meant to stabilize the rapidly declining bilateral trade and thereby encourage the payment of debts and the implementation of reforms in the USSR.

When Mr. Nakao expressed his country's readiness to help Sakhalin develop its oil and gas deposits and facilitate the economic development of the Soviet Far East, Mr. Silayev noted that it was a matter of "bilateral negotiations between Japan and Russia."

Asked by the guest to describe his personal attitude to the Soviet-Japanese dispute over the Kuril Islands, Mr. Silayev said that more active economic cooperation with Russia could help Japan settle this problem.

Commentary Warns Against Haste Over Kurils

PM2110104791 Moscow IZVESTIYA in Russian
19 Oct 91 Union Edition p 10

["Editorial Viewpoint" article: "What Should We Do With the Kurils: Sell Them? Give Them Up? Have a Think?"]

[Text] Virtually every day there is something about the Kurils in the press. The legal aspect is discussed: It is very contradictory. At various times in various documents both sides have renounced claims to the south Kurils or all the Kurils. The historical aspect is clear enough. The indigenous population was neither Russian nor Japanese: They were Ainu, none of whom is left on the Kurils. The Russian discoverers who opened up the islands for Russia and for Europe are well known. Japan did not need to discover them: The coast of Kunashir is visible from the coast of Hokkaido. Then there is the strategic aspect: The strait between Kunashir and Iturup is probably of some importance for the passage of the Navy, although there are other straits there. The straits are seemingly of no importance as regards strategic missiles. There is the human aspect: The islands have become home to a certain number of people. There are not so many of these people as to prevent the two powers from ensuring their welfare in any resolution of the question. There is the economic aspect: In terms of Russia's national economy, like Japan's, the use of the islands' resources is of no great importance. But on the other hand, if we cede them, maybe we will be given a few billion dollars. The argument usually ends at this point, and we are left to guess by reading between the lines that the islands should be given up.

But no, that is not how serious issues are resolved. The Kurils problem is more than the concern of inhabitants of Sakhalin Oblast. First, there is such an elusive yet valuable substance as a people's spiritual state. Lands are ceded in a state of extreme confusion, demoralization, and humiliation. This usually happens after a terrible defeat in a terrible war. But who have we been defeated by now? Only ourselves.

And there is also the principle of the inviolability of borders, which is extremely important for the whole world. To forget it is to jeopardize our borders with China, Iran, Romania, Czechoslovakia, Poland, Germany, Finland, and so on ad infinitum. There are also the borders between our republics, which are perpetual flashpoints. Without renouncing this principle, we can give up Shikotan and Khabomay: Khrushchev promised to do this and then changed his mind, but it does not behoove a government to deceive its neighbors. Maybe it would be worth offering the whole chain of islands and not just the southern ones on a long-term lease on any terms—anything but changing the borders.

We do not know whether the Kurils will become our Hong Kong. But they should not become another Alaska, which historians to this day do not forgive his majesty the emperor for selling: He had no right to sell, even if there was an unrestricted monarchy. We must discuss not fragmentary aspects and not incidental arguments, but the whole problem. We must not not rush into a decision. We have all the time in the world for giving things up.

DPRK Envoy on U.S. Nuclear Arms Proposal

SK2210091791 Moscow Radio Moscow in Korean
1100 GMT 17 Oct 91

["Focus on Asia" program report: News conference by Son Song-pil, DPRK ambassador to the USSR, at the DPRK Embassy on 15 October—recorded]

[Text] As you know, Bush announced on 27 September that the United States will unilaterally withdraw ground-based and sea-based short-range nuclear weapons and that it will take a fundamental measure to eliminate them.

Cutting nuclear weapons and eliminating them for world peace and security are very important. We have always been against testing and producing nuclear weapons. We have taken the stance that nuclear weapons should be fully withdrawn. Thus, thinking that Bush's statement will be a step in eliminating nuclear weapons, we expressed our welcome of his statement.

Taking into consideration Bush's proposal, the nuclear weapons deployed in South Korea should be duly withdrawn. As we have said, if tactical nuclear weapons are withdrawn from South Korea, this will lay a foundation for us to sign [chegyol] the nuclear safeguards accord. I think that this will be a step in denuclearizing the Korean peninsula.

The U.S. and South Korean authorities have so far said that there are no nuclear weapons in South Korea. As the U.S. authorities said that nuclear weapons are deployed in South Korea and announced that the nuclear weapons will also be withdrawn, their claim is disclosed as a lie.

We concluded the Nuclear Non-Proliferation Treaty. We concluded the treaty for the peaceful purpose of eliminating the U.S. nuclear threat against us and of turning our country into a nuclear-free zone. The Nuclear Non-Proliferation Treaty stipulates that those countries possessing nuclear weapons should not threaten those countries that do not possess them with nuclear weapons. The treaty also stipulates that the countries possessing nuclear weapons should guarantee the security of the countries not possessing them.

Even after we concluded the Nuclear Non-Proliferation Treaty, we have continuously been under the U.S. nuclear weapons, not free from the threat of the U.S. nuclear weapons.

If the threat of nuclear weapons should be removed, the circumstances, which intensify the intention to develop nuclear weapons, have prevented us from signing [somyong] the nuclear safeguards accord.

We sincerely hope that, instead of objecting to withdrawing nuclear weapons from South Korean, the South Korean authorities will respond to our proposal that the Korean peninsula be turned into a nuclear-free zone.

As the danger of a nuclear war heavily hovers on the Korean peninsula, we thus think that in withdrawing nuclear weapons, the United States should first withdraw nuclear weapons from the Korean peninsula.

At the same time, we demand that the United States fully withdraw all ground-based, sea-based, and air-based nuclear weapons, instead of withdrawing them in parts. We think that in withdrawing nuclear weapons, the U.S. forces should also be withdrawn from the South.

When the United States withdraws all nuclear weapons from South Korea, when the U.S. forces are withdrawn from there, when the Korean peninsula is turned into a nuclear-free zone, and thus when our country is reunified by way of a confederation system, this will be a decisive contribution to our country and to peace in Asia.

Nuclear Issue Viewed

SK2210082891 Moscow Radio Moscow in Korean 1100 GMT 18 Oct 91

[By station military commentator (Kozlov) from the "Focus on Asia" program]

[Text] The ROK and DPRK prime ministers will meet early next week in Pyongyang to discuss the issue of easing tension on the Korean peninsula. According to a report from Seoul, it is expected that the nuclear issue will be discussed for the first time during the talks.

Station military commentator (Kozlov) writes as follows:

The issue of nuclear weapons deployed in the ROK and the DPRK's refusal to accept international inspection of its nuclear facilities have been obstacles for a long time in the North-South dialogue. The United States' and Soviet Union's recent proposals on nuclear reduction make it possible to remove these obstacles.

As is known, the United States has decided to completely remove all of its overseas ground tactical nuclear weapons. As far as the ROK is concerned, this means the removal of (?atomic bomb launchers) and tactical Lance nuclear missiles. In addition, it also means that the United States will remove its nuclear weapons from the ships and attack submarines of the Seventh Fleet navigating in the waters near the Korean peninsula. Military commentator (Kozlov), however, points out that this does not mean a reduction of the entire U.S. nuclear potential deployed in the ROK. There remain tens of nuclear bombs aboard the tactical planes. Washington does not [words indistinct] because of these bombs.

Even some former commanders of the United States insisted on removing all U.S. nuclear weapons deployed in the ROK. According to their views, the weapons deployed there have the least tactical effectiveness. This is a very fair assessment, especially in light of the recent Persian Gulf war. As is known, it was not nuclear weapons but accurate conventional weapons that ended the war.

Furthermore, removing tactical weapons and U.S. planes from the ROK is not only a concession to the DPRK but a step forward in connection with the Soviet proposal suggesting the withdrawal of such weapons from the fighting troops and storing them at central depositories based on the principle of reciprocity.

The procedure of removing the U.S. nuclear weapons must be carried out at the same time that the DPRK opens its nuclear facilities to international inspection.

How will this all develop? Station military commentator (Kozlov) concludes by saying that according to our view, the upcoming North-South prime ministers' talks can resolve this issue.

Southeast Asia & Pacific

More on Rogachev Remarks on Cambodian Issue

PM2110173691 Moscow IZVESTIYA in Russian 22 Oct 91 Union Edition p 5

[Report on interview with USSR Deputy Foreign Minister I. Rogachev, member of Soviet delegation to international conference on Cambodia, by special correspondents B. Vinogradov and Yu. Kovalenko in Paris 21 October: "International Conference on Cambodia Begins in Paris"]

[Text] Paris—It seems that the "Cambodian knot," which was for 12 years the subject of the most acute political disagreements, will finally be unraveled in the next few days. At least, that is the purpose for which delegations from 18 countries have converged on Paris to take part in the international conference on Cambodia, which began work in a house on Avenue Kleber 21 October.

The first two days will be devoted to finalizing the concluding documents prepared by the five permanent members of the UN Security Council. Then, on 23 October, the coordinating committee will present these documents to the delegation heads—the foreign ministers—and UN Secretary General J. Perez de Cuellar for signing.

On the opening day of the conference, we asked Deputy Foreign Minister I. Rogachev, a member of the Soviet delegation who has taken part in the preparation of the documents at every stage, to assess the forthcoming event.

Without a doubt, Igor Alekseyevich said, the signing of agreements on a peace settlement in Cambodia marks an important stage in the history of not only the Cambodian people but also the entire region. In practice this act will mean the recognition of a state of affairs in which there is already every reason to speak of a comprehensive political settlement of a long-standing and dangerous regional conflict.

It is important to note that the key principle of the Paris agreements is the free will of the Cambodian people. The necessary guarantees will be created by means of preparing and holding general elections under UN monitoring, with the participation of all interested parties. According to the election results, a coalition government should then be formed as the executive organ of the new Cambodia—a peaceful, independent, democratic, and neutral state.

Undeniably, the path to accords acceptable to all sides was long and difficult, I. Rogachev went on to note. Remember, the first phase of the Paris conference, which began in July 1989, offered a mere glimpse of the desired prospect of consensus and mutual understanding. The working mechanism of the permanent members of the UN Security Council, launched in January 1990, made a major positive contribution to the quest for sensible solutions. Rich, and I would say, unique experience has been accumulated in achieving necessary political compromises by joint efforts. The peace plan for Cambodia formulated by the "Five" became the basis of the agreements that will soon be put on the table for signing. We hope that this mechanism, which has demonstrated its efficacy, will continue to operate in the period of practical implementation of the agreements.

An extremely important condition for progress toward a settlement was the attainment of consensus among those directly involved in the conflict—the Cambodians, and first and foremost between Norodom Sihanouk, representing the Khmer opposition, and Hun Sen, prime minister of the State of Cambodia.

On the other hand, the resolution of the problem would have been problematic for a long time to come, indeed impossible, without the establishment of a new principle in international relations, including the Asian-Pacific region. I would like to highlight among a number of favorable factors promoting the elimination of the Cambodia conflict the coming full normalization of Chinese-Vietnamese relations, cooperation between the Soviet Union and China, our amicable dialogue with Tokyo, and the development of contacts between the USSR and ASEAN.

And one last point. After the Paris conference, much work lies ahead on launching and implementing a UN peacekeeping mission in Cambodia. Quite substantial financial, material, and technical resources will be needed, but we think the game is worth the candle. The international community will receive substantial dividends from the creation of a favorable atmosphere for the development of cooperation in the Asian-Pacific region and the strengthening of security and stability.

Near East & South Asia

More on Foreign Minister Pankin Mideast Tour

Views Jordan Talks, Peace Conference

LD2110140791 Moscow TASS International Service in Russian 1312 GMT 21 Oct 91

[By correspondent Gennadiy Marunin]

[Text] Amman, 21 Oct (TASS)—"The talks with King Husayn and Prime Minister Tahir al-Masri were thorough and friendly," stated USSR Foreign Minister Boris Pankin at the Amman airport today before flying to Cairo. "The main result of these talks is that we have begun to understand each other even better. They gave us a very good opportunity not only to exchange opinions on our positions in the closing stages of preparing for the peace conference but also to discuss bilateral relations. The meetings that took place confirmed that we have a great deal in common," stressed the minister. "I am satisfied with this brief working visit," he added.

The Soviet Union, as cochairman of the peace conference, and the Jordanian-Palestinian delegation, as one of the basic participants in the Madrid meeting, said the minister, are closely coordinating their actions during preparations for the forum in the Spanish capital.

Responding to a question on the Israeli Government's decision to take part in the peace conference, the Soviet minister stated: "This is a serious and constructive step, and we have every right to believe that Israel intends to hold serious talks."

Concerning his upcoming meeting with Yasir 'Arafat, chairman of the PLO Executive Committee, Boris Pankin observed that he is expecting "an interesting and constructive conversation about mutual relations between the Soviet Union and the PLO."

Departs Jordan for Egypt

LD2110125491 Moscow TASS International Service in Russian 1219 GMT 21 Oct 91

[By correspondent Gennadiy Marunin]

[Text] Amman, 21 Oct (TASS)—USSR Foreign Minister Boris Pankin today concluded his two-day visit to Jordan and has flown to Cairo. In Amman he met with King Husayn and other Jordanian state officials, with whom he discussed concrete issues on the final preparations for the Madrid peace conference as well as some aspects of Soviet-Jordanian relations.

Arrives in Egypt

LD2110130291 Moscow TASS International Service in Russian 1238 GMT 21 Oct 91

[By correspondent Mikhail Krutikhin]

[Text] Cairo, 21 Oct (TASS)—USSR Foreign Minister Boris Pankin has arrived in Egypt for a brief working visit today. He will hold talks with President Husni Mubarak and Foreign Minister 'Amr Muhammad Musa. The leader of the Soviet foreign policy department is concluding his trip to a number of countries in the region within the framework of preparations for a peace conference on the Middle East. Before his trip to Cairo he visited Israel, Syria, and Jordan.

Cairo Arrival Statement

LD2110160791 Moscow TASS in English 1544 GMT 21 Oct 91

[By special correspondents Mikhail Krutikhin and Georgiy Shmelev]

[Text] Cairo October 21 TASS—Soviet Foreign Minister Boris Pankin arrived in Egypt today on the last leg of his Middle Eastern working tour, which also took him to Israel, Syria and Jordan.

During his meetings with Egyptian leaders and Palestinian representatives of the West Bank and the Gaza strip, Pankin discussed final preparations for a peace conference on the Middle East, which opens in Madrid on October 30, as well as the situation in the region and bilateral relations.

He was welcomed at the Cairo airport by Egyptian Foreign Minister 'Amr Mosa and other officials. In his arrival statement, Pankin stressed the special significance of his forthcoming talks with Egyptian leaders considering the important role of this country in the region and traditional Soviet-Egyptian cooperation in the interest of a Middle Eastern settlement.

He said that the negotiations would continue regular contacts maintained between the Soviet Union and Egypt at the level of prime ministers and foreign ministers.

Pankin added that the talks would cover key issues of bilateral relations in the context of constructive accords reached during Egyptian President Husni Mubarak's visit to Moscow last September.

Meets Egypt's Mubarak

LD2210085491 Moscow TASS International Service in Russian 0841 GMT 22 Oct 91

[By special correspondents Mikhail Krutikhin and Georgiy Shmelev]

[Text] Cairo, 22 Oct (TASS)—Egyptian President Husni Mubarak today received USSR Foreign Minister Boris Pankin. The talks concerned the concluding stage of the preparations for the Near East peace conference and bilateral relations.

The head of the Soviet foreign policy department is ending his trip to a number of states in the Near East region in Egypt. Before this he visited Israel, Syria, and Jordan.

Meets Egypt's Foreign Minister

LD2110203591 Moscow TASS International Service in Russian 1947 GMT 21 Oct 91

[By special correspondents Mikhail Krutikhin and Georgiy Shmelev]

[Text] Cairo, 21 Oct (TASS)—The work schedule of USSR Foreign Minister Boris Pankin, who arrived in Cairo on the last stage of his tour of the Near East, opened with a meeting with 'Amr Musa, Egyptian minister of foreign affairs.

During the course of a detailed conversation, the practical aspects of their appearance at the peace conference and the holding of it were analyzed.

Soviet-Egyptian affairs, in the light of the recent visit to Moscow by Egyptian President Husni Mubarak and his talks with Mikhail Gorbachev, were discussed. Significant opportunities for the development of Soviet-Egyptian links, taking into account the increase in activity at republican level, were noted.

On Talks With Foreign Minister

LD2110203891 Moscow TASS International Service in Russian 1951 GMT 21 Oct 91

[By special correspondents Mikhail Krutikhin and Georgiy Shmelev]

[Text] Cairo, 21 Oct (TASS)—Answering journalists' questions after today's talks with Egyptian Foreign Minister 'Amr Musa, Boris Pankin, the head of the Soviet foreign policy department, said that USSR President Mikhail Gorbachev and U.S. President George Bush are to speak at the opening of the Madrid conference on the Middle East as its cochairmen. Other heads of delegations will be represented at the level of ministers of foreign affairs.

The Soviet Union will consistently speak at the conference in favor of supporting the implementation of UN Security Council resolutions 242 and 338, the Soviet minister said. It is in the interests of the participants of the conference to build on this basis.

Outcome of Tour Assessed

PM2110215091 Moscow IZVESTIYA in Russian 22 Oct 91 Union Edition pp 1, 5

[By special correspondents M. Kozhevnikov and A. Ostalskiy: "Arabs and Israel Will Meet Face to Face in Madrid"]

[Excerpt] Damascus, Amman—[Passage omitted] It appears that Israel was left with no weighty arguments against the conference after the USSR restored full diplomatic relations with it on 18 October. But on the other hand, a sharply negative, explosive reaction to this could have been expected from the Arab world.

And so it would doubtless have transpired, had this happened in the recent past, in the days of the acute rivalry between Moscow and Washington. But now everything happens differently. The main protagonists received the news from Jerusalem calmly, without excessive emotion or propagandist attacks. Despite the misgivings that are natural in such dramatic situations, USSR Foreign Minister Boris Pankin's first Near East mission is proving more successful than could have been expected.

We have learned from sources in the Soviet delegation that Syrian President Hafiz al-Asad, in a talk with our minister in Damascus on Saturday, did not say a word about what happened the previous day in Jerusalem. The conversation was constructive and businesslike and chiefly concerned practical questions of preparations for the conference. King Husayn of Jordan, who received Pankin on 20 October, appeared, eyewitnesses said, to be in "quite a good mood." The monarch also paid no particular attention to that sensitive topic for the Arabs, preferring to engage in a concrete discussion of the problems still to be resolved before the conference. So it seems that everything is proceeding as the superpowers intended. Nonetheless, there is a sense of uneasiness. Why?

Certain heads of state—for instance, Al-Qadhdhafi and Saddam Husayn—are hostile to the idea of a conference. The Libyan leader called for a pan-Arab referendum to decide whether the Arabs want a conference. According to the JANA agency, Al-Qadhdhafi accused those who decided on talks with Israel of ignoring the masses' opinion. These leaders, he said, treat their peoples like "a flock of sheep." Libya, however, he said, "will never recognize the Jewish state."

Bellicose voices can also be heard in Tehran, where the forthcoming meeting in Madrid is called the "conference of lies." The commander of Iran's corps of "Islamic Revolutionary Guards" called for the creation of an army of Muslims to liberate Palestine.

But what are the feelings of the masses whom Al-Qadhdhafi is so concerned about? Our impression is that many ordinary Arabs are afraid that the peace talks with the "eternal enemy" will result in no good and that they will end up by being manipulated. There are also serious misgivings in Israel, where, apart from those who are openly opposed to direct dialogue with the Arabs, there are many people who are hesitating, anxious about their country's security. Some observers do not even rule out the possibility that mutual suspicion and fear will not only thwart the quest for mutual understanding but exacerbate the conflict still further.

"As long as the attempt to convene a conference does not lead to the opposite result—a new war between Jews and Arabs." This paradoxical opinion was expressed in conversation with one of us by an influential U.S. analyst who is close to the "Baker team."

All these concerns are doubtless not without foundation. But it cannot be denied: The Near East has never before been so close to the point where peace in the region turns from utopia into reality.

Relations With Israel Assessed

OW2110172891 Moscow INTERFAX in English 1519 GMT 21 Oct 91

["Diplomatic Panorama" report by diplomatic correspondents M. Mayorov and I. Porshnev; transmitted via KYODO]

[Text] Israel decided at a meeting of its government on October 20th to send a delegation to Madrid to take part in the Mideast peace conference. At this same meeting a candidate for Israeli ambassador to the Soviet Union was nominated for the first time since 1967. The candidate is Ari Levin, who is presently the Israeli General Consul to Moscow. "DP" [Diplomatic Panorama] has the privilege of an exclusive interview with the General Consul.

Soviet-Israeli diplomatic relations were officially established in Jerusalem on October 18th. This raises the question of whether or not Moscow and Washington will now jointly put pressure on Israel to induce it to accept the Mideast formula for peace as "peace in exchange for land." A "DP" correspondent asked just such a question to an Israeli diplomat in Moscow, Yousef Ben-Dor.

In the diplomat's opinion one cannot oversimplify the situation and suppose that the existence of diplomatic relations allows the USSR to "pressure" Israel. As a reminder, he said that during the many years in which there were no diplomatic relations between the two countries, the Soviet Union "pressured" Israel by supplying free deadly weapons to Israel's rivals in the Mideast.

Now Moscow has relations not only with Arab countries, but with Israel as well. This, in Mr. Ben-Dor's opinion, creates good opportunities for Moscow to play a constructive role in the process of a peaceful Middle Eastern settlement, which he expects to be long and drawn-out. "We in Israel will be very happy to have Moscow play a constructive part in a settlement," he said.

The Israeli diplomat expressed hope that the question of Palestinian representation has finally been decided. One Jordanian-Palestinian delegation will be sent to the peace conference. The diplomat was reluctant to discuss the Palestinian position, preferring to wait until the beginning of talks, "when many issues will be clearer."

In reply to whether or not representatives from eastern Jerusalem would be present at the conference, Mr. Ben-Dor said: "As a Jerusalemite, having spent much time working as a city guide, I must say that the term "eastern Jerusalem" itself is unacceptable. The northern, southern and eastern parts of the city have entered the Jordanian sector of Jerusalem. This makes it impossible to define eastern Jerusalem. If one is discussing the representation of Arabs living in Jerusalem as part of the Palestinian delegation, then with regard to this question the Israeli position is entirely clear: Jerusalem is an integrated part of the State of Israel." In conclusion Mr. Ben-Dor stated that "Israel absolutely does not recognize any Arab representation from the city at the Mideast peace conference." In his words, Israel's position has been accepted by the Americans, and in the final analysis also by the Palestinian side.

With regard to Soviet-Israeli relations, Mr. Ben-Dor expressed the hope that from now on "they will develop normally." In his opinion, the lack of diplomatic relations was an unnatural barrier which hindered normal development. This was felt during the whole time in which the two countries did not have diplomatic ties. The period started in June 1967, when Moscow unilaterally broke off diplomatic ties with Israel. In recent years, while bilateral economic, cultural and other ties were developing rapidly, the abnormality of the situation was emphasized.

"Now," remarked the diplomat, "a new page in Soviet-Israeli relations has been started." In his opinion, this allows cooperation on the basis of mutual interests to develop, which will grow unhindered. "This is ensured," Mr. Ben-Dor emphasized, "by the long historical ties between the two countries and the fact that hundreds of thousands of Israeli citizens have 'Soviet roots.'"

Belonogov Interviewed on Peace Conference

PM2110143291 Paris LIBERATION in French 18 Oct 91 p 16

[Interview with Soviet Deputy Foreign Minister Aleksandr Belonogov by Bernard Cohen in Moscow on 17 October]

[Text] Moscow—It is a long time since the idea of an international Middle East peace conference was virtuously rejected by Western countries and Israel as a "Soviet trick!" Today, Moscow's old proposal is gaining ground, even if it is not following the course formerly proposed by the USSR, which then wanted to give the UN Security Council a dominant role. It is no time, however, for triumphalism in official Soviet circles now that the USSR is having great difficulty in maintaining its status as a "superpower" on the international scene because of its internal divisions.

Aleksandr Belonogov, deputy foreign minister in charge of Africa, the Middle East, and the Far East, said yesterday that the conference was "a victory for everybody and, therefore, for the USSR, too. For years we had striven to establish international peace negotiations in a different framework from the one now being established, but the main thing is that dialogue is beginning," he said in an exclusive interview with LIBERATION between his talks with the French and Egyptian ambassadors in Moscow.

According to Aleksandr Belonogov, "it was in September 1990, during the Bush-Gorbachev summit, that the framework of the conference, which is to be held before the end of the month, was defined. Then there was the Soviet-U.S. joint declaration, and after that active diplomatic preparations began. I think the USSR has fully played its role as initiator and coordinator with the United States, but it is important not to forget the contribution of several European and Arab countries." While recognizing "the catalyst effect that the Iraqi aggression against Kuwait had on Soviet-U.S. relations" in August 1990, he upheld the idea (put forward by Yevgeniy Primakov—LIBERATION editor's note) that the Western coalition's war against Iraq "should have been avoided."

The final obstacles, like the question of the Israeli veto on the composition of the Palestinian delegation, or the Syrian stance making the restitution of the Golan Heights a precondition for negotiations, did not seem to worry the Soviet deputy minister too much yesterday: "We are absolutely sure that Syria will take part in the conference. Israel is still being asked to implement UN resolution 242. But this is precisely the conference's main objective: to find the right conditions for guaranteeing security throughout the region, for the Israelis and the Arabs. With regard to the nature of the Palestinian delegation—this is a question which, I hope, will be settled in a few hours."

Was today's meeting in Jerusalem between James Baker and Boris Pankin, the U.S. and Soviet heads of diplomacy, intended to overcome the Israeli Government's remaining reservations, to "force its hand" by stressing the world impact of the planned conference? "This is a working meeting that has no 'solemn' aspect," Belonogov said, pointing out that the United States and the USSR each "still has points to discuss and clarify with Yitzhak Shamir." For instance, the restoration of diplomatic relations between Israel and the USSR, which were severed by the latter in 1967 following the Six Day War in which it supported Egypt and which have existed at consular level only since the first "resumption of contact" between the USSR and Israel in Helsinki on 18 August 1986. "It is no secret to anybody that we have been moving for months toward the restoration of diplomatic relations," the deputy minister said, specifying that "there is no direct link between this decision and the holding of the conference." Not even a link in time: "the announcement of restoration will not necessarily coincide with the start of the conference," he said. So, when will it be? "Probably soon."

Moscow is the first non-Arab capital to have agreed to give the PLO office in Moscow the status of a "Palestinian embassy." In this house in downtown Moscow, the conference hall is called "Al-Quds" (the Arab name for Jerusalem), and it is decorated with a big carved wooden pannel depicting the domes of the mosques in the Holy City. Nabil 'Amr, the Palestinian ambassador to Moscow—who belongs to a respected family from Hebron, on the West Bank—seemed convinced the other day that the restoration of diplomatic relations between Israel and the USSR was "imminent," but he reaffirmed the PLO's principled stance: the return to the 1967 borders, for East Jerusalem, too. "Jerusalem's status is obviously one of the problems that the conference will have to try to solve," Aleksandr Belonogov said: "It is a special problem because, as the spiritual center of the monotheistic religions, Jerusalem is the focus of a series of individual interests—those of the Russian Orthodox Church, for instance, to which we cannot remain indifferent when we discuss the possible status of that city."

Yesterday morning, Aleksandr Belonogov accompanied former Israeli Labor Prime Minister Shim'on Peres to Mikhail Gorbachev's office. Mr. Peres had come to Moscow at the invitation of Yevgeniy Velikhov, vice president of the USSR Academy of Sciences, to examine the development of scientific cooperation between the two countries. The two men were meeting for the first time. Does this mean that the USSR does not have complete confidence that the Israeli right will carry through the peace process? Aleksandr Belonogov is naturally refraining from any interference in Israeli internal affairs, but he expressed the view that "Yitzhak Shamir has already expressed his desire to talk. Of course, the continuation of the policy of settling the territories has a destabilizing effect, and we will have to find a compromise: If all compromise is ruled out, what is the point of negotiations?" At all events, the deputy minister "received Israel's assurance that emigre Soviet Jews will not be used in this settlement policy." And he pointed out: "For the time being, there are virtually no Soviet Jews in the occupied territories. Moreover, they do not want to go there: They are city dwellers, intellectuals, and they prefer to remain in the cities." On the hills of Jerusalem, however, many new districts intended for the immigrants are on the other side of the demarcation line.

Syrian Communists' Forum Examined

PM2110135391 Moscow PRAVDA in Russian 19 Oct 91 p 5

[By special correspondent Yu. Glukhov, under the "From the Scene" rubric: "Desire for Unity. At the Syrian Communists' Forum"]

[Text] Damascus, 18 Oct—The Syrian Communists' Congress lasted four days in a Damascus youth center. After I. Rostovtsev's report on the "Vremya" program on Syrian Communist Party members leaving its ranks, I expected to see an empty room. But the report proved short-term, although the Communist movement in Syria and the Arab countries has undoubtedly experienced, and is still experiencing, a very grave crisis.

Attempts were also made at this forum to find a way out of the crisis and formulate an action program. The Syrian Communist Party and the wing headed by Yusuf Faysal has amalgamated with the Syrian Communist Party (grass-roots organizations) headed by Murad Yusuf.

This is the first time in the country's history that an open Communist Party forum has been held, Yusuf Faysal told your correspondent. This consolidates democratic norms and Syria's existing political pluralism. It shows loyalty to Marxist ideas and socialist ideas, particularly in view of the increasing anticommunist attacks. Third, it heralds the adaptation of theory to the new realities and the revision of outdated ideas—for instance, the thesis of the dictatorship of the proletariat.

The congress has not, however, overcome the split in Syrian Communists' ranks. In May the Syrian Communist Party led by Khalid Bakdash, a veteran of the Arab communist movement, held its own forum. In a conversation with your correspondent, he also voiced a desire for unity but, as he stressed, unity on a principled basis, starting with grassroots organizations. Despite their common main positions, notably solidarity with the CPSU, the two parties have different approaches to many issues—events in the Soviet Union, for instance. Khalid Bakdash is inclined to take a negative view of the role of perestroyka.

I will not attempt to determine the Communists' clout in Syria's political life. I would like to note something else. The country's mass media have been paying tremendous attention to this communist congress. The ruling Ba'th party has paid similar attention to it, as have communist parties and movements in various other countries. That is natural, because Syria's Communists are members of the government, the parliament, and Syria's National Progressive Front. I would remind you how many times the Western press has accused the Syrian regime and President Hafiz al-Asad of being undemocratic; yet the Syrians are showing a willingness to cooperate and collaborate rather than pursue fruitless, exhausting confrontation between different political forces. That is certainly normal. It becomes abnormal when our new political thinking takes on horrendous forms and our democracy ends up being unacceptable [neterpimyy].

East Europe

Bulgarian President Zhelev Begins Visit

LD2110224891 Moscow TASS International Service in Russian 1731 GMT 21 Oct 91

[By diplomatic correspondents Vladimir Abrosimov and Nikolay Veretin]

[Text] Moscow, 21 Oct (TASS)—The first day of the stay of Bulgarian President Zhelyu Zhelev, who arrived in Moscow today on a working visit, was not burdened with official events. That's why he devoted the bulk of his time to getting acquainted with the life and work of the Bulgarian community. The guest visited the Bulgarian technical center, and in the evening he will have a meeting with embassy employees and representatives of other establishments.

Tomorrow the business part of the visit will start. Zhelyu Zhelev will hold talks with Boris Yeltsin, president of Russia. Bulgarian Vice Premier Dimitur Ludzhev, who accompanies the head of the Bulgarian state on his trip, will meet his colleague from Russia's leadership. Issues relating to the analysis of mutual relations at the present stage and to increasing the efficiency of cooperation in various spheres will become the main topic of the talks.

There are grounds to believe that the first Russian-Bulgarian dialogue at the summit level will be constructive and fruitful. In his interview to TASS correspondents, the president of Bulgaria stated that he arrived in Moscow "with good feelings and intentions." Aleksandr Rutskoy, vice president of the RSFSR [Russian Soviet Federated Socialist Republic], who was meeting him, spoke in a similar way: "For centuries our states had friendly relations. It makes sense for the Bulgarians to have direct links with Russia."

To Meet Gorbachev, Yeltsin

LD2110161491 Moscow All-Union Radio Mayak Network in Russian 1030 GMT 21 Oct 91

[By Sofia correspondent Viktor Samarin]

[Excerpt] Bulgaria has no intention of placing its deep economic links with us at the expense of developing its contacts with new Western partners. Quite the opposite: It is striving to help itself and us by widening and deepening its trade and economic cooperation both with the USSR, as a whole, as well as with the sovereign states that make up the country. By doing this, it hopes to take up the role of becoming an additional bridge of its kind between West Europe and the Soviet market. Trifonov, head of the president's office, explained that the Bulgarian president will meet USSR President Mikhail Gorbachev and Russian Soviet Federated Socialist Republic President Boris Yeltsin during this visit. He expects to sign a Russian-Bulgarian political declaration considered to be not only a preamble to a future bilateral Bulgarian-Russian treaty but also the first step toward a new treaty on friendship and cooperation between Bulgaria and the USSR. It is expected that meetings will be held with the mayors of Moscow and St. Petersburg, representatives of Soviet business circles, and with the Bulgarian community in the Soviet capital. One of the complex questions which, according to the head of the president's office, Zhelyu Zhelev will by all means put forward to the Soviet leadership is the question of materials that relate to Bulgaria and that are in the archives of the former KGB being handed over to Bulgaria. [passage omitted]

TASS on Importance of Visit

LD2110162391 Moscow TASS International Service in Russian 1534 GMT 21 Oct 91

[By diplomatic correspondents Vladimir Abrosimov and Nikolay Veretin]

[Text] Moscow, 21 Oct (TASS)—Bulgarian President Zhelyu Zhelev arrived in Moscow today on a three-day working visit at the invitation of Russian President Boris Yeltsin. He is accompanied by Dimitr Ludzhev, deputy head of the Bulgarian Government. The guests were met at Vnukovo Airport by Aleksandr Rutskoy, Russian Soviet Federated Socialist Republic [RSFSR] vice president, and Oleg Lobov, first deputy chairman of the RSFSR Council of Ministers.

According to the assessments of experts, issues of the development of bilateral ties will be the focus of attention at the meeting between the Russian and Bulgarian leaders to be held tomorrow. Important documents are to be signed on the completion of the talks, documents determining relations in the political and economic areas between Russia and Bulgaria and their future cooperation in the scientific and technical sphere.

The guest is also expected to be received by the USSR president.

This is Zhelev's first visit to Russia as head of the Bulgarian state. He was among the first leading world politicians to immediately and firmly condemn and reject the anticonstitutional actions of the Moscow putsch organizers and their attempts to deprive the USSR president of legitimate power. The Bulgarian president unhesitatingly spoke in support of the Russian leadership and above all the RSFSR president.

The victory of democracy in our country during the dramatic days in August has undoubtedly created favorable prerequisites for the dialogue beginning between the leaders of Russia and Bulgaria. This dialogue is extremely necessary. It is no secret that over the past 12 or 18 months Bulgarian-Soviet business links have been practically marking time. Mutual trade has dropped sharply. The interaction at all levels, established over the past decades, has been upset. The negative consequences of this are equally felt by the peoples of both countries.

This is precisely why the Bulgarian president's visit acquires special importance, especially as the historical roots of spiritual closeness between the Russians and the Bulgarians have remained alive. This contains a pledge of qualitatively new relations between the two states, relations based of equality, respect, and mutually advantageous partnership in conditions of implementing further democratic transformations in society.

Bulgarian Election Results Analyzed

PM2110095191 Moscow PRAVDA in Russian 18 Oct 91 p 4

[By correspondent L. Kuznetsov: "Bulgarian Election Results: Minimal Superiority"]

[Text] Sofia, 17 Oct—According to the latest preliminary figures, the Union of Democratic Forces [UDF] and the Bulgarian Socialist Party [BSP] will have 110 and 106 deputies respectively in Bulgaria's National Assembly. The final official results of the parliamentary elections and the partial election of the country's local organs of power are to be announced shortly. Although the results are still flashing up on the computer screens, some conclusions can now be drawn.

The village of Lesichevo is near the city of Pazardzhik. On election day the Orthodox church there was adorned with a red banner, the hammer, and sickle. After this people went to vote. Unfortunately, the mood among Lesichevo's peasants has not been conveyed to the country.

The UDF regards the election as a victory. Compared with the last parliamentary elections, it has won a considerably larger percentage of the vote. There are several explanations for that. The UDF openly supported Bulgaria's president, a man respected in the country, the symbol of the nation's unity. This is quite an important factor. Television and radio sang the UDF candidates' praises around the clock. Bulgaria's mass media have worked intensively, I would even say fiercely, for the opposition. But the most important point is the UDF's election platform. On the one hand, its authors considered most people's desire to strengthen democratic principles and thus won over most voters. On the other hand, they also pleased people of right-wing orientation (and there are plenty of them) with their anticommunist slogans. They were also followed by people disappointed in the repositories of the socialist idea and aggrieved under the totalitarian regime.

Socialists, however, feel good today. There can be no question of defeat. But there has been a marked shift away from the party. What is wrong? Primarily, their rivals came to the elections under democratic slogans (the meaning given to them is another matter). Thus, an ordinary Bulgarian decided that if he voted for the UDF, he would not be betraying the country, democracy, or the BSP. Especially since the BSP had stated its willingness to cooperate with any party if it were for the good of the people. That is one aspect. Another is the massive anticommunist campaign. The "coup card" was played with particular vigor—the BSP was said to have been too late in condemning the plotters in Moscow.

There has certainly been a loss of votes and sympathies. But even in that situation one must not speak of defeat but of a major victory for the socialists. It must be borne in mind that a union of many parties, the UDF, opposed a single party, the BSP. None of them would have made it alone. Also, by the time of the election, the BSP had 500,000 members and 2 million Bulgarians voted for it in addition to its own 0.5 million. That is the main result, the main source of delight! The party demonstrated that it is not alone, that the nonparty masses, and what masses—the working people!—are behind it. The party's prestige is indicated by the fact that the BSP is way ahead of the others in the elections to local organs of power. Thus, the BSP remains an influential force on the political scene. It has not proved possible to remove it, sweep it aside, or erase it.

Socialists are in a supremely peaceful and constructive mood. Following the parliamentary elections they intend to do their utmost to defend democracy, national accord, and order, which cannot be said about certain UDF leaders. Having said that they will bar socialists' way into the Cabinet of Ministers, they seem to intend to bear sharply right.

Serbian, Croatian Officials on Strife

92UF0081A Moscow PRAVDA in Russian 16 Oct 91 (signed to press 18 Oct 91) p 1

[By correspondent Ye. Fadeyev: "Essence of the Conflict"]

[Text] Belgrade—The journal MEZHDUNARODNAYA POLITIKA has published an interview with Serbian Foreign Minister Vladislav Jovanovic and Croatian Foreign Minister Zvonimir Separovic concerning the situation in Yugoslavia and an explanation of the positions of the governments of the two republics on the matter of a settlement of the crisis.

On the Subject of the Negotiations in Moscow

This, in particular, was what the Serbian minister said:

"Serbia's foreign policy proceeds from the fact that Yugoslavia, in spite of the unilateral decisions on a separation there from of Slovenia and Croatia, is a political factor and generally recognized single international subject. Serbia has a vital interest in the preservation and rebuilding of Yugoslavia, which should be a modern democratic federation in which all republics and all Yugoslav peoples are accorded equal status."

Responding to the question of "How has it happened that there are few people in the world who understand that a settlement of the so-called 'Serbian question' is the key to a settlement of the whole Yugoslav crisis," V. Jovanovic said: "The essence of the Yugoslav crisis is the fact that certain federal republics have long been making thorough preparations for separation from Yugoslavia, with outside help, of course. Consequently, the disintegration of Yugoslavia, not the so-called 'Serbian question,' is the root of the crisis. The Serbian people did a great deal to ensure the emergence of the state of Yugoslavia at the end of World War I.

"Its immense contribution also is the fact that Yugoslavia was preserved and built on a federal basis at the end of World War II. Both times the Serbian people did this selflessly and sincerely, the more so in that in Yugoslavia all Serbs found a common state roof. The desire to split the single formation known as Yugoslavia and unilaterally break away from it, resorting to inventions and hatred in respect to the Serbian people, has been artificially attached to the so-called 'Serbian question.' Croatian Serbs, who are a constitutional Yugoslav people, are unwilling to be dependent on Croatia's aspiration to break with Yugoslavia. They wish to remain in Yugoslavia, where the rest of the Serbian people lives. Croatian Serbs are demanding nothing more than the rights to self-determination, which the Croatian people have. They demand recognition."

Speaking of the role of the Yugoslav People's Army in the present events in the country, V. Jovanovic replied that the Yugoslav Army was a federal institution. Under the difficult conditions being created in planned and systematic fashion by those who are endeavoring to split Yugoslavia, the Yugoslav People's Army has preserved its Yugoslav character. Having assumed the role of "separator" of the belligerents, it has helped reduce casualties and prevent escalation of the conflict. Various rumors and fabrications in certain mass media have been rendered baseless. But one gets the impression thanks to them that the Army is out of control and is preparing a coup. This is an integral part of the campaign against Yugoslavia and against all those who are concerned for its preservation as a single state.

And here is the Croatian foreign minister's opinion. Responding to the question "What needs to be done for a peaceful solution of the present crisis in Yugoslavia," Z. Separovic said:

"The answer to this question is very simple. It is essential to recognize a provision of the 1974 Constitution, which is the basis of the sovereignty and independence of the republics and which regulates the status of the autonomous provinces in Serbia. It is essential that the leadership of all republics realize that the most dangerous thing for all peoples and nationalities in Yugoslavia is the insistent presentation of demands concerning a forcible alteration of borders, and it is this demand that is being made in respect to Croatia and with support on the part of political circles of Serbia. It is for this reason that we in Croatia insist on the immutability of borders.

"As far, however, as interrepublic borders are concerned, we would like them to provide for the unimpeded movement of goods, people, and ideas, given mutual respect for the independence of each republic.

"Naturally, the Croatian Government will always guarantee the rights of nationalities living in the republic and will at the same time display concern for assurance of the rights of Croats living in other republics and provinces."

Speaking of the prospects of Croatia's international recognition, Z. Separovic said:

"We believe that there are favorable prospects for Croatia's recognition in the world. Croatia and Slovenia have already been recognized by the Baltic republics. States outside of Europe are together with Austria, Switzerland, Hungary, Germany, and Denmark stating their support for Croatia's demands pertaining to independence. The EC is also studying the possibility of recognition of Croatia's independence together with the efforts it is making to achieve an end to the clashes and prevent continued aggression against Croatia. We do not believe that the achievement of sovereignty by one or all Yugoslav republics precludes the establishment of confederal or similar relations among them. We insist only on the fact that such decisions be adopted without compulsion, in accordance with the wishes of the citizens of each republic individually.... The Croatian Government does not dispute the statehood of Serbia, which became a part of Yugoslavia in 1918, although Serbia was at that time considerably less in a territorial-economic respect than now. Croatia also with its own statehood became part of then Yugoslavia in just the same way. The decisions adopted by Croatia in 1990 and 1991 reflect its intention to secede from Yugoslavia peacefully and exercise its independence and sovereignty."

West Europe

Diplomats Expelled From Norway

LD2110180191 Moscow TASS in English 1739 GMT 21 Oct 91

[Text] London, October 21 TASS—Norway has ordered eight Soviet diplomats out for activities incompatible with their official status, REUTERS reported from Oslo.

It quoted a Norwegian Foreign Ministry statement as saying that five of the diplomats had already left Norway, while the three others would do so before November 15.

Italian President Pardons Soviet Citizen

LD2110192691 Moscow TASS in English 1533 GMT 21 Oct 91

[Text] Moscow October 21 TASS—Italian President Francesco Cossiga has signed an act to pardon Soviet citizen Viktor Dmitriyev convicted several months ago by the Italian court on charges of "industrial espionage".

The staffer of the Soviet Ministry of Foreign Economic Relations stayed on a business trip in Italy among Soviet specialists to train at the Olivetti Company.

He was arrested by the Italian police in summer, 1990, and, despite the absence of serious evidence, charged with an attempt to obtain classified documents from Olivetti employees.

Sources at the Soviet Foreign Ministry's Information Directorate told TASS, the Ministry and the Soviet Embassy in Rome made "constant active efforts to liberate the Soviet citizen and more than once addressed various Italian instances, including the highest ones."

"We've met the understanding of the Italian leadership. The desire that this case does not hurt relations between our countries was mutual," stressed a representative of the Soviet Foreign Ministry.

Finnish Minister's Stance on Border Viewed

PM2210083191 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 3

[Political observer Stanislav Kondrashov article: "A Territorial Dispute With Finland? No, for the Time Being Just a Testing of Different Positions"]

[Text] Helsinki, Moscow—Finland is not making territorial claims against the Soviet Union (Russia), that is to say, it is not raising the question of the return of Karelia. It does not want, however, to totally rule out for the future the discussion of the border issue, in a context provided for by the CSCE Final Act. I came away with this impression from a conversation on 16 October with Finnish Foreign Minister Paavo Vayrynen. The minister refused to name the "two or three open questions" that remain after the start of the negotiations on a new Soviet-Finnish treaty. The first of the rounds opened in Moscow on Monday, 14 October, and ended, quite suddenly, two days later.

The Soviet stance, as was reported from informed sources, is that the territorial issue does not exist and that the postwar borders of the two countries have been established for all time. The sides are not overdramatizing the disagreements and are hoping to resolve them amicably. The second round of negotiations on a treaty will begin in Moscow 4 November.

Paavo Vayrynen received me in the Finnish Foreign Ministry building, which is brand spanking new but which adheres faultlessly to the old style in terms of its simple and noble proportions. The extensive internal courtyard, paved with stone blocks, is exactly like a military parade ground. The restored barracks of the second naval base of the former Russian Empire's Baltic Fleet is packed with the appurtenances of modern diplomacy. Beofre the October Revolution the first base was in Kronshtadt.

History re-echoed both on the parade ground and in the long, sparklingly whitewashed corridors, while the modern fresh voice of history was to be heard in the minister's office: He told me that in the early morning he had seen off the leaders of two new sovereign states who were homeward bound on board the motor ship Georg Ots. Arnold Ruutel from Estonia and Anatolijs Gorbunovs from Latvia, like Vytautas Landsbergis from Lithuania, had just been in Helsinki to solemnly accede to the CSCE Final Act in the famous white marble Finlandia Palace. This was 16 years later than the others, but for them it was a question of better late than never. The interview with Mr. Vayrynen took place in precisely this historic and yet very topical framework. In precisely this frame—a frame that is physically restricting, but not, we hope, politically restricting—the frame of that Baltic window which Peter the Great had thrown open onto Europe. Three new Baltic states have separated from the empire. Finland wants to remain a friendly neighbor but without infringing sovereignty through the postwar Friendship, Cooperation, and Mutual Assistance Treaty with the USSR, which has been repeatedly extended since 1948.

Moscow agrees with Helsinki that Articles One and Two of the old treaty that concern repulsing Germany's aggression and the sides mutual consultations in the event of "a threat of military attack being ascertained" are clearly out of place now.

It was a great treaty, which paved the highway from enmity to good, stable relations between the two countries and taught us to respect each other. Quite recently President Mauno Koivisto said that not a word in it needs changing. He was echoed by Mikhail Gorbachev when making his first visit to Helsinki in October 1989. Earlier still, in the middle of 1983, I recall that Paavo Vayrynen, when he became foreign minister for the first time, had expressed the same thought: "We have achieved a situation whereby there are no longer any disagreements in Finnish society regarding the treaty."

I recalled his words because I personally had heard them and noted them down when I had attended a conversation with him as part of a delegation of Soviet journalists. It had been in the other Foreign Ministry building in another world in which there existed a different Soviet Union and a different Europe. Everything flows on, everything changes. Sometimes it does not flow on but races along at a gallop. Toward the speediest conclusion of a new treaty. Finland is being urged along by the increasing weakness and instability of its enormous neighbor of which Finnish eyes perceive a double image—a collapsing Union and a still imcompletely formed Russia. It is a geopolitical fact that there is no getting away from this giant.

Minister Vayrynen, however, who expresses himself with the utmost caution, did not mention this. He is in no doubt as to the need to continue stable good-neighborly relations. This, as he puts it, is the "point of departure." But the good tradition must be adapted to the changed situation in Europe. The guidelines for "a completely new treaty" and for the new type of Finnish-Soviet (Russian) relations must be the treaties and type of relations between our country [Finland] and France, Germany, and Italy. It is not a question of copying those treaties, the minister explained, because each country is unique, but of the fact that in the new Europe it is natural to have "a new generation of treaties."

The military articles of the 1948 treaty are disappearing by agreement of both sides. But there is also the territorial question as recorded in the 1947 Paris peace treaty whereby Karelia went to the Soviet Union. Finland at that time received and assimilated 400,000 settlers, thereby discharging its duty to its fellow countrymen. Among the older generation the nostalgia for what had been lost was like a cripple remembering his amputated leg. No way was this revanchism. But a certain "ticklishness" is indeed present.

Paavo Vayrynen resolutely refused to go into detail. Having stated that, after the first round, "two or three questions remained open," he did not even say which they were. Twice he stressed two aspects. First, that there are "no territorial claims" against the Soviet Union, that Finland hews to the positions of the 1947 Paris Treaty and adheres to one of the fundamental principles of the 1975 Final Act—concerning the inviolability of postwar borders. Second, however, the same Final Act stipulates the peaceful solution of contentious issues which, in the opinion of the Finnish side, extends also to the question of borders. The Finnish side would like to leave such a possibility for the future. That is, the possibility of negotiations on the territorial issue and that means, although Vayrynen did not talk about this, the possibility of a revision of borders.

And this was what became the main stumbling block in Moscow. The Soviet stance on the territorial issue in principle rules out any ambiguity: Both sides must confirm the inviolability of existing borders and declare that they have no reciprocal claims nor will they advance such claims in the future.

And so, the Finns will reflect before the beginning of November. The Soviet side has let it be understood that it will stick to its present position. I think that agreement will be reached. After all, the stakes are high, the traditions of good-neighborliness are indeed durable, and the common border stretches for more than 1,000 km.

Latin America & Caribbean

Cuba Withdrawal Talks Begin 'End of October'

OW2110122991 Moscow INTERFAX in English 1100 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Talks on the withdrawal of a Soviet training brigade from Cuba will begin in Havana at the end of October-the beginning of November. The Soviet Ministries of Foreign Affairs and Defence informed IF [INTERFAX] that the Soviet and Cuban delegations would consist of diplomats and military experts, but there was no clarity so far about who would lead them.

The Soviet Foreign Ministry believes that before the end of the year, the first servicemen of the brigade which, according to different estimates, is from 3,000 to 4,000 strong, will leave Cuba. The problem arose in early September, when Boris Yeltsin and, subsequently, Mikhail Gorbachev, promised to withdraw the Soviet contingent from Cuba and to review relations with that country. Mikhail Gorbachev said these relations should be put on an footing of mutually advantageous economic cooperation.

A leader of the anti-Castro opposition, Mr. Jorge Mas Canoza, who was in Moscow for the first time last September, met with Soviet Foreign Minister Boris Pankin who recognized that some aspects of Soviet-Cuban relations were "immoral".

In his turn, chairman of the Congressional Committee for Allocations, Mr. Larry Smith, said at a press conference in Moscow that despite a cold and hungry winter in store for the Soviets, the American legislators may deny the USSR financial and other aid if support for the Castro regime continued.

Supreme Soviet

'Reshuffled' Legislature To Open 21 Oct

Laptev Expresses Concerns

LD2010191691 Moscow TASS in English 1739 GMT 20 Oct 91

[By Lyudmila Yermakova]

[Text] Moscow October 20 TASS— The first session of the reshuffled Soviet parliament, due to open in the Kremlin on Monday [21 October], is to form its leading bodies and elect chairmen of the two chambers.

Ivan Laptev, the leader of the former Council of the Union, said he would not run for his previous post, although aware that a group of colleagues was planning to nominate him.

"New realities have taken shape," Laptev told TASS. "New people will sit in the chambers, which need new leaders."

Addressing the last meeting of the Presidium of the USSR Supreme Soviet, Laptev stressed that the old Union and its center had broken up completely. In the new situation, the Supreme Soviet has ceased to be a suprarepublican body but has not yet become an interrepublican one.

The impression is that the Supreme Soviet has turned into the main hindrance to the executive power, Laptev said bitterly. The president has also lost all interest in the Supreme Soviet, he said. Or maybe, the speaker said, the president has arrived at the conclusion that open discussions will only further complicate the already complex situation in which the head of the state is finding himself.

Laptev expressed concern over the failure to form the full parliament, as demanded by the recent Congress of Soviet People's Deputies. The new parliament, to which only seven republics have sent their deputies, may still be called a Union parliament but this leads to considerable shrinking of space in which laws it adopts are applicable, which will place the parliament in a very precarious situation.

The new parliament, Laptev said, should be protected against the influence of the executive. It must work out laws that are urgently needed and keep pace with reality and life's development.

Has 'Outlived Itself'

LD2010212891 Moscow Central Television First Program Network in Russian 1900 GMT 20 Oct 91

[Studio interview with Ivan Dmitriyevich Laptev, chairman of the USSR Supreme Soviet Soviet of the Union, by program presenter Irina Mishina on 20 October; from the "TV Inform" newscast—live or recorded]

[Text] [Mishina] A session of the USSR Supreme Soviet opens in Moscow tomorrow. No doubt it will not be any revelation if I say that the Supreme Soviet in its present form has, in effect, outlived itself. Its efficiency rating among state structures is next to bottom, above the USSR Council of Ministers and the CPSU. Obviously we now need a new parliament that will reflect the new Union. What will this parliament be like and what will its functions be? Let me ask these questions of Ivan Dmitriyevich Laptev, chairman of the Soviet of the Union of the present parliament, who is in our studio today.

[Laptev] The structure is now being formed which should essentially move from being a structure above the republics—a strictly central structure—to an interrepublican structure.

[Mishina] Incidentally, I have a question about this. How many republics are going to participate in this new parliament?

[Laptev] Well, seven republic have already fully determined their body of deputies. Seven republics, namely Russia, Belarus, Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenia, and, if I have missed out Tajikistan, then Tajikistan.

[Mishina] Seven republics?

[Laptev] Yes. Furthermore, two republics—Azerbaijan and Moldova—are sending a group of observers. So evidentally the new parliament will begin its work with this composition.

In today's parliamentary structure, the interests of a republic, any republic, cannot be circumvented in any way at all. It should be explained here that any decision passed by either chamber cannot circumvent the interests of a republic, because all decisions and all, so to speak, acts that the Soviet of the Union passes will then have to be, as it were, ratified by the Soviet of the Republics.

[Mishina] From what you have said, I conclude for myself that the parliament will become smaller and more flexible, and will have fewer legislative functions. Does this not mean that it will simply become a piece of scenery in the country's political life?

[Laptev] Well, I would not see a direct link between such judgments. Of course there is a danger of the parliament becoming a piece of scenery. It all depends on what it will be like in essence.

[Mishina] In your view, will our new Union parliament be able to play the role of a kind of opposition, a counterweight to executive power?

[Laptev] Of course, the parliament—and I may be repeating myself—and its stance with regard to executive power will depend on the way it is going to work.

[Mishina] Ivan Dmitriyevich, we have grown used to seeing you chairing sittings of the Supreme Soviet session. What path have you chosen? Will you remain in your post or will you choose a different path?

[Laptev] I will not be standing for this post. After all, it would be fundamentally correct for a new leader of the chamber to come to the fore.

[Mishina] Well, thank you for taking part in our program.

Pre-Session Preparations

PM2110104991 Moscow PRAVDA in Russian 21 Oct 91 p 1

[Article by M. Buzhkevich: "First Session of USSR Supreme Soviet Opens in the Kremlin Today. Before the Curtain Rises"]

[Text] From the legal viewpoint, the formation of the Supreme Soviet looks strange to say the least, despite the fact that it took place in accordance with the law approved by the Fifth Extraordinary Congress of USSR People's Deputies. Many people have expressed the view that the appointment of the members of the country's Supreme Soviet by Supreme Republic organs clearly does not accord with generally accepted democratic principles. But what can you do? We live in such troubled times of general disorder that the paramount issue became the achievement of at least some sort of consensus, a coordination of republics' actions, and the elaboration on this basis of laws providing a legal basis for a transition to the market. This became particularly topical after the signing of the Treaty on the Economic Community.

A great deal of work during the past few weeks before the opening of the session was carried out by the interrepublican preparatory committee with USSR People's Deputy A. Sebentsov as coordinator. It has submitted a whole package of proposals to deputies which should help the session to pass quickly through the organizational stage.

Apart from organizational questions, the draft agenda includes USSR President M. Gorbachev's report "On the Political and Economic Situation in the Country." Furthermore, it is proposed to discuss the problem of the reorganization of Union organs of state management and measures for the coordinated implementation of economic reforms and the coordination of social policy. Deputies are also to discuss a number of provisions of the USSR constitution and USSR legislative acts.

Naturally, Supreme Soviet members may amend the draft agenda.

It is expected that notable changes will be introduced in the list of standing committees and commissions. For the time being the proposals of the interrepublican preparatory committee consist of the following: Committees for legislation, transport, the power industry, communications, space, and information science are to be set up at the USSR Supreme Soviet, and also a joint commission on questions of legislative ethics.

At the upper chamber—the Soviet of Republics—it is planned to form eight standing commissions. Some of these functioned under the previous parliament, or rather commissions resembling them —the commissions for budget and finance, security and defense, agrarian policy, and international affairs. Among the "innovations" are commissions for interrepublican economic cooperation, interrepublican relations, organizational questions and activities of union organs, and a number of others.

Nine standing commissions are to be set up at the Soviet of the Union. Here too, there will be commission for budget and finance, security and defense, and international affairs. Apart from this, there will be commissions for human rights and freedoms, the social protection of the individual, science and technology, and a number of others.

The number of the committees and commission of the new Supreme Soviet and its chambers has been substantially reduced in comparison with their number in the previous legislature. In the opinion of specialists and many people's deputies this will considerably enhance their competence and capability. There will be less duplication, and the time needed to prepare legislative acts will be reduced. Although, in my opinion, it was wrong to do away with, for example, the committees for culture, and questions concerning women and the family. After all, they dealt with major blocks of topical issues affecting the whole of the people.

And so, albeit at its third attempt, the Supreme Soviet is getting down to work. It is true though, that there are gaping breaches in its composition. A number of republics have decided not to send their delegations to the session. They will be represented by a handful of people's deputies with the rank of observers. All this calls into question the legislature's authority to adopt decisions. Clearly, Supreme Soviet members will have to rack their brains to find a way out of this tricky situation.

The deputies to whom I was able to talk lately assess the prospects for the work of the Supreme Soviet variously. They believe that it is entirely capable of functioning in its new composition, and will be able successfully to cope with its tasks. Others are highly pessismistic. In their opinion, the presence in the composition of the chambers of a substantial number of republican-level people's deputies will greatly complicate the work of the parliament because of the danger of clashes based on local interests. The question is whether certain republic representatives will be able to summon up a sufficiently broad state outlook, whether they will be able to subordinate local interests to the interests of society as a whole. Finally, an extreme viewpoint also exists. The view that in conditions of the rapidly rising "weight" of executive power, and the rigid separatism which flourishes in some republics, the role of the representative and legislative union organ may be reduced to a minimum. The view that this organ will be marginalized. Time will show who is right.

Supreme Soviet Session Opens 21 Oct in Moscow

Session Opened by Oldest Deputy

LD2110142491 Moscow All-Union Radio Mayak Network in Russian 0800 gmt 21 Oct 91

[Speech by oldest USSR People's Deputy Azret Girgokayevich Urusov, opening the USSR Supreme Soviet in Moscow on 21 October—live]

[Text] I ask you to be quiet and take your seats. The time has come. There is a proposal that we should start. Esteemed people's deputies, members of the USSR Supreme Soviet:

The honor has fallen to me, Russian Soviet Federated Socialist Republic [RSFSR] People's Deputy for the Karachayevsk Territorial Constituency Number 245, Azret Girgokayevich Urusov, as the oldest deputy, to open the first session at a joint session of the Soviet of the Republics and the [passage indistinct] Fifth Congress of USSR People's Deputies created the legislative foundation for the formation of a new system of interstate relations, based on the expressed wishes of the sovereign republics. Henceforth, our Supreme Soviet will be the supreme representative body of power in the USSR during the transitional period.

Seven sovereign and independent republics—Russia, Belarus, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenia—have delegated plenipotentiary representatives, people's deputies of the USSR and the republics, as members of the country's Supreme Soviet. Representatives of Azerbaijan and Moldova are attending the session as observers.

Permit me to sincerely congratulate all of you on your election to the supreme representative body and the great trust which has been placed in us by the people. I think that we will soon be joined by other republics as a result of the work of the new Union parliament, based on equality and solidarity. At all events this is the wish of the absolute majority of the voters.

We are starting our work at an exceptionally complex and crucial time. The country's economy is in an extremely difficult situation. Interethnic relations have deteriorated. The fact that the complete rehabilitation of repressed peoples, including the Karachay people, is proceeding unjustifiably slowly has also made no small contribution to this. The surge of crime is not being checked. Many foundations of normal social life have been destroyed. The August putsch inflicted a serious blow on the process of establishing new Union relations between the sovereign states.

Ultimately all this has affected the prestige of the country's supreme organs of power and administration. To a large extent, we have to win back trust and recognition. Vigorous and effective work by the Union parliament is, therefore, especially essential.

The most important of the many tasks facing this new Supreme Soviet is to unite society and achieve the badly needed harmony among all our peoples. From its inception, the new body must become foster social stability and order and the deepening of interrepublican links. As deputies of the Union parliament, we are all called upon to concern ourselves with the integrity of the new Union of sovereign states which has now come into being. Of course, we must speed up practical political and economic reform if we do not want life to pass us by.

The USSR Supreme Soviet—which is fundamentally new in terms of its status, the developing relationship between the republican parliaments and the content, style and activities of the chambers—is not starting its work from scratch. Its work is the logical continuation of the work of the former supreme soviet. The last two-and-a-half years of its activities have not, of course, passed without trace, and it would hardly be right to assess its overall record as negative.

Quite a lot has been done by the Supreme Soviet which can be regarded as positive. A system of democratic laws has been put in place. Pluralism of views, openness, and glasnost have been anchored in its work. Useful parliamentary experience has been accumulated. A whole series of political leaders have been launched on their careers from here. It is our duty to take on board all that which is valuable, without blind imitation, and to incorporate it organically in the work practices of the Soviet of the Republics, the Soviet of the Union and the bodies of the Supreme Soviet. I think it would be right for us to thank the former membership of the USSR Supreme Soviet for its great and positive work.

It is generally felt that the most democratically inclined people's deputies of the USSR and the republics have been delegated to the USSR Supreme Soviet. Many of you have experience of parliamentary work. This offers hope that the deputies will bring competence and vigor to the work of our body of power, dynamism and broadmindedness to our discussion of problems and boldness of thought and knowledge of life to our activities. We have an obligation to raise all our parliamentary work to a new level, concentrating our attention on fundamental problems.

Permit me to express my confidence that at this important and crucial moment in history our Supreme Soviet will be equal to the demands on it and that it will resolutely uphold democracy and legality. If it does this, it will justify the expectations of the peoples who have entrusted such lofty powers to us.

Esteemed people's deputies! According to the registration data, at the present time, delegations of deputies from the Republic of Belarus, the Kazakh Soviet Socialist Republic [SSR], the Republic of Kyrgyzstan, the RSFSR, the Republic of Tajikistan, the Turkmen SSR, and the Republic of Uzbekistan are attending this session. Each of these delegations is composed of more than half of the members endorsed by the Supreme Soviet of the republic in question. In total, 122 members of the Soviet of the Republics are present. In the Soviet of the Union, of (?191) deputies, 102 deputies who are members of this chamber are present—that is, more than half of the composition of that Union. Taking part in this session are 127 USSR people's deputies who are not members of the USSR Supreme Soviet. Delegations from the Azerbaijan Republic and the Republic of Moldova are here as observers.

Permit me to declare this session of the USSR Supreme Soviet, with its new membership, open.

The president of the USSR, Mikhail Sergeyevich Gorbachev, is taking part in the work of the USSR Supreme Soviet. Leaders of the Interrepublican Economic Committee, members of the Committee for Supervision of the USSR Constitution, the chairman of the USSR Supreme Court, the chairman of the USSR Supreme Court of Arbitration, and the USSR procurator general are attending. The members of the Political Consultative Council under the USSR president are also here.

Permit me to give the floor to USSR President Mikhail Sergeyevich Gorbachev.

Gorbachev Address

LD2110095491 Moscow All-Union Radio Mayak Network in Russian 0811 GMT 21 Oct 91

[Speech by USSR President Mikhail Gorbachev at the opening session of the USSR Supreme Soviet in Moscow on 21 October—live]

[Text] Esteemed comrades:

I sincerely welcome the groups of deputies from the sovereign states which are forming the Union. I hope that very soon the Supreme Soviet will have its full membership. You are commencing your mission at one of the most complex and crucial moments in the country's development. In short, it falls to the new USSR Supreme Soviet to ensure continuity of power during the transitional period. Basically, you have the mission of a constituent assembly. It is now very important that we all have a common view of the essence of the transitional period. Without this, there is no accord and no cooperation in society.

What are the landmarks that we must bear in mind? After the August events, a radical break-up of the totalitarian system took place, a decisive shift in favor of the democratic forces. The majority of the country's citizens, and the primary political forces, agree that we must combine our efforts so together we can lead the country out of crisis; that a socially oriented market economy, economic and political freedom, civic society and a rule-of-law state must be our aims.

On this basis, the tasks of the transitional period are defined in the joint declaration by the USSR president and the leaders of 10 republics, as well as in the decisions of the emergency Fifth Congress of the USSR People's Deputies. So, the aims are defined, and what we need now is, by using the new opportunities, to decisively push forward democratic reforms in all spheres.

The question is, however, what should actually be done today and tomorrow? Where should we start? Among the most urgent problems are how to survive the winter and how to provide people with food, heat, and how to ensure the production of energy. An agreement on food supplies has been already worked out and signed. Measures for fuel supplies have been worked out and agreed upon. These are not easy tasks and they require energetic actions by Union bodies, by all the republics and the production collectives.

Now, the organization of our work will determine everything. I hope that the Supreme Soviet will use its resources and authority in order to keep the implementation of these vital taks under control.

This, so to speak, is a vital issue. In order to more quickly extricate the country from the crisis, we have to solve a number of fundamental problems. The main one is the fate of our statehood. Will we go further together, or will each republic start looking for a way out of the crisis on its own, at its own risk? Until we clarify this, no program will be more than worthy desires. We shall be marking time, while tension in society increases. Opinions on this within society vary. Some are for retention of the previous, over-centralized, unitary state. Others are for an economic union, without a political one.

There is also this viewpoint: the Union is no more, we have to go all the way along the road to separation and dissociation. I am deeply convinced that if any of these stances forms a basis for policy, then the consequences will be catastrophic for all, without exception, peoples and republics, large and small. Fortunately, despite all the attempts to drive people off course, there are strong and strengthening sentiments within society in favor of a new union state, in which republican sovereignty will be guaranteed, a single economic market retained, the new union structures set up and vested with powers to function effectively and reliably, the rights and liberties of each nation and each citizen reliably ensured, as will safety, legality, and law and order.

With this in view, preparations have been resumed on a treaty on a Union of sovereign states. A draft of such a treaty is currently under consideration by members of the State Council. It will then go for collective revision, after which the treaty may be forwarded to the parliaments of the sovereign states and the USSR Supreme

Soviet. Given the exceptional importance of this document, it would be expedient to make it public in mid-November. The members of the State Council have decided to appeal to the Supreme Soviet of Ukraine to join in drawing up a new treaty right away, given the specific situation which has emerged in the Supreme Soviet, and of which you are aware. The draft treaty has been sent to the republican leadership, and we hope we shall receive a positive response from our Ukrainian brothers.

Another question we need to be completely clear about is this: No republic must think that an attempt is being made to keep it within the Union by force. But at the same time, people must be aware of the consequences of their choice—the economic, social, defense, international, and human consequences. The more so because the majority of them have voted in a referendum for preserving the Union state. The people must know that participation in the new Union is a huge advantage, not a burden. Our relations with those who prefer to be outside the Union must be based on the recognized norms of international law. But they cannot, of course, be the same as between sovereign states which have joined the Union.

Another cardinal task is to accelerate economic reform. The states which are members of the economic community and the Union bodies are faced with making difficult decisions, some of them unpopular but necessary, to halt the build-up of negative trends in the economy and to lay the foundations of its improvement and of the enhancement of the living standard of the people.

What are the most important things now? First, to use energetic measures to prevent the break-up of the monetary system and money circulation, and to stabilize the ruble. Without this, no other measures will bring about the desirable results. Banking, taxation and price policy, as well as coordinated actions of all the republics, must be aimed at this.

Second, to make a decisive breakthrough as far as market reforms are concerned. First of all, removing state controls and implementing privatization of state property; to speed up the implementation of this work in the sphere of services, retail trade, and small and medium-sized enterprises, manufacturing consumer goods. At the same time, persistently to carry out auctioning of big industry and transferring all the enterprises to a market regime, and giving them the right to be in charge of the final products and of the profits made.

Supporting the proposals made over the last few days by the Interrepublican Economic Committee and by the leadership of the Russian Federation and other republics, we must start the liberalization of prices in the nearest future. Of course, this must be also carried out in a coordinated fashion, be accompanied by firm anti-inflationary measures and the measures of social support of the low-income sections of the population.

Third, to radically change attitudes to enterprise, by guaranteeing it state support; to establish a rational taxation regime which will stimulate its development; to remove the unjustified legal restrictions and administrative barriers which exist at present.

Fourth, we must finally embark upon radical land reform, making the necessary decisions and carrying out the necessary practical work in autumn and winter. Every republic must, of course, resolve this task independently, taking account of its own historical and ethnic traditions. We have already spoken on many occasions of the need to hand over land to the peasants who want to cultivate it, of the need to break up unprofitable collective and state farms. Because this business is moving on slowly, it must be the government that provides support for enterprise in rural areas, both political, legal, and financial support. The way in which collective and state farms operate must undergo a decisive change. We must get rid of the state order, and grant them the right to dispose of the output produced themselves. The system of storage and processing of agricultural produce must be reorganized along market lines within the shortest possible time, and the way must be opened for small and medium-scale agro-business to develop widely. The main thing is that tax benefits must be established for those involved in providing social amenities and technical services for rural areas. A substantial part of the economic aid being obtained from abroad should, I think, be directed to rural areas. That will yield the fastest returns for the people.

Fifth, we must finish reorganizing the entire system of economic cooperation and trade with foreign countries, radically change export and import policy, and make the country an organic part of the world economy. This will help the transition to the market, to a structural policy, to hi-tech mastery, and to the reorientation of the national economy toward meeting people's needs.

Everything we are currently doing and planning is in the final analysis aimed at raising the people's welfare. However, these measures will in the first stage inevitably bring difficulties in adapting to the market economy.

Therefore, I consider that one of our most serious tasks is to maintain social peace within society. I wish to draw your attention to the fact that many strike committees and trade unions and other workers organizations which have emerged in recent years advocate radicalization of economic reform. I was convinced of this yet again when I recently met delegates attending the second congress of the Interrepublican Union of Labor Collectives. They unequivocally called for the continuation of economic reform, well understanding that, without a sensible balance of interests, civilized progress toward the market will be impossible. It could be wrecked. They want the new Supreme Soviet—and I associate myself with this—to adopt a law on social partnership in the USSR as one of its first acts.

I wish to touch on several other topical problems of our development. Under conditions of the period of transition, the sphere of the spiritual life of our peoples is especially vulnerable and under-protected. The headlong commercialization of culture cannot but alarm us all. The cinema is flooded with foreign films, often of low caliber, while our own films are left on the shelf. Readers have less and less access to good books. With the rise in the price of paper and printing, the output of school textbooks and exercise books is threatened. The press is in great difficulties. Deprived of subsidies, the libraries, museums, and art galleries are becoming boring and are on the brink of closure. Our sports, too, the achievements of which we were all rightly proud, is in a state of crisis.

Let me be frank. We still do not have an effective Union program for preventing the degradation of culture.

Of course, this is now a concern primarily for the republics and local bodies. Subscription of funds for these purposes into the Union budget has all but ceased. Yet, it is still necessary to think about and propose methods of coordinating means and resources which might enable support to be given to culture in these difficult times, not only to cut back but also to give impetus to positive processes within the spiritual space of the Union as a whole. It is still not too late to do this.

Think among yourselves, comrades, on what I have been saying, and take these concerns upon yourselves. It is especially important to concern ourselves with preserving the system of fundamental research established in this country. The State Council recently pronounced itself unanimously in favor of this. Does it make sense to lose the advantages that come from coordination in the fields of public education and health care? The State Council showed itself well-disposed toward initiatives for the creation of coordinating structures in these areas. I think this Union parliament of ours will take a similar stance.

The Supreme Soviet and the president will very shortly have to pay great attention to one of the Union's main duties, defense and security. I remind you that fundamental stipulations on the need for a defense union and the retention of unified armed forces were enshrined in the joint statement by the president and the republican leaders and in the decisions of the most recent Congress of People's Deputies. However, statements of intent to form separate armies have been recently voiced. Attempts are being made to nationalize or even privatize units of the Soviet Armed Forces. This is not a joke. Furthermore, such talk is dangerous. Such impulses—and I cannot describe them any other way—must be regarded as frivolous and irresponsible, unlawful and illegal.

I ask the people to whom these words apply to draw the proper conclusions. Otherwise, measures of a constitutional nature will be taken. Nevertheless, under the current circumstances, it is important to speed up the preparation and signing of an interrepublican agreement on defense and security.

There are indeed many problems here. They include a profound military reform on whose content the current leaders of the Defense Ministry have communicated in the press. There is also the sending of troops home, the resettlement of those who become unemployed and the social protection of servicemen and their families, and the conversion of the defense sector. I hope the Supreme Soviet will set about the formation and adoption of a Union budget on defense issues without delay, and will adopt a package of legislative acts regarding the USSR Armed Forces on the proposals of the ministry.

Within the framework of military reform, the Defense Ministry has prepared proposals on reducing the length of active and compulsory military service from 24 to 18 months and the change beginning in 1992 to a mixed principle of manning: by call-up and on a contractual basis.

Resolving issues of a basic order, the Union and republican bodies must examine specific major problems regarding the life of the Armed Forces which have arisen as well. In particular, they must examine the question of an amnesty for servicemen who, of their own accord, have left their military units and not committed other crimes, as well as disciplinary battalions. All of this concerns our citizens.

Or take such a question as the allocation of plots of land to servicemen for the construction of individual housing and the granting of outright loans for these purposes. By this token we will demonstrate concern for hundreds of thousands of officers relegated to the reserve.

On the law enforcement bodies, sovereignization proposes transferring the center of gravity of the maintenance of public order and combatting crime to the republics. Correspondingly, the union law enforcement bodies must be reformed.

We have already implemented radical reconstruction of the State Security Committee. A proposal will be put forward for your endorsement, comrade deputies, on creating independent intelligence, counterintelligence and border troop administration services to replace the KGB. I think everybody understands the significance of this step. The system of total shadowing and repressions, which strangled freedom and turned our state into a police state, is being dismantled.

Viable bodies to maintain law and order and uphold security, such as those that exist in all democratic states, should be established. Among the few remaining Union ministries is the Ministry of Internal Affairs [MVD], which in the current environment is tasked primarily with coordinating the activities of the corresponding republican authorities and, in concert with them, with solving common tasks. The troops of the MVD are currently being used to uphold order in places where there are aggravated ethnic conflicts. Regrettable as it may be, there is still a need for this. However, unlawful and arbitrary actions, such as have occurred in the past, should be categorically excluded. These troops should be used only when absolutely necessary, in strict conformity with the law and under supervision by parliament.

Settling interethnic conflicts must assume an extremely important place in the work of the Union parliament. It is necessary to use the total potential of the new Union bodies not only to extinguish

Now that the composition of the Supreme Soviet is based on the principle of republican representation, its opportunities in this respect have greatly increased. The dispatch of parliamentary commissions and the mediation of authoritative politicians, including people's deputies who do not belong to the parliament, may be effective.

There is a range of acute questions connected with withdrawal from the Union. Let's not have any illusions. Borders may be called into question. Claims to assets and other things may be made. Many thousands of people do not want to change their citizenship. Their rights must be guaranteed in the places where they currently reside or else they must be given assistance with housing and jobs when they settle elsewhere. I still haven't mentioned questions of defense, security, and so on.

We are getting thousands of letters and cries for assistance, literally, from all parts of the country. The number of refugees who have been left without homes and the means to live is increasing. There is no end of instances of discrimination on ethnic grounds. Human rights are a distressing problem for all of us. The Union and the states belonging to it must create some sort of common civic space. A range of inalienable rights and freedoms which will be guaranteed by all republics should be defined. This can be done if each of them endorses the declaration adopted by the Fifth Congress of USSR People's Deputies. Laws which penalize the persecution of people for their convictions, attempts to obstruct the freedom of political parties and public organizations to subvert glasnost, are needed.

Nor should premeditated disinformation, defamation, and interference in citizens' private lives go unpunished. The justified aspiration to renew all aspects of life is, not uncommonly in this country, accompanied by a nihilistic attitude toward historical memorials and by acts of vandalism against these monuments. This is unacceptable. Destruction of symbols of the past means once again an ideologized approach to history.

The people of today and future generations are entitled to know their past, as it was. Otherwise this will lead, again, to grave consequences. In a word, we must persevere along the road to democracy. This road, as we know, has the corresponding principles, is built on the corresponding principles.

About foreign policy, the new thinking and the international course based upon it have justified themselves and become a generally accepted factor in the changes now happening in the world. For the first time in history, the country's real external security has been ensured, the threat of world war has been lifted.

The August victory by democratic forces has strengthened confidence in us abroad. We must cherish it and transform it into deeds. How do I picture our specific actions? First, joint mechanisms which are clear to foreign partners are needed in order to make use of the support they are giving us to overcome the economic crisis, as well as setting up the infrastructure for a market space. Our new financial and other economic bodies should dovetail with foreign ones, according to the rules accepted by the Union as it became an associate member of the International Monetary Fund and International Bank for Reconstruction and Development. We value the solidarity of the international community, which wants to see the Union as a democratic state with a predictable policy. Here it is not a question of charity, but of healthy and mutually advantageous capital investment in the great cause on which common progress, to a large extent, depends.

Second, we must continue to participate in the disarmament process in an enterprising way. The question of ratifying both the treaty on conventional armaments and armed forces in Europe and the treaty with the United States on strategic offensive armaments should be tabled at this first session of the new Supreme Soviet. The large-scale proposals made by President Bush and our reciprocal initiatives make it possible to fundamentally change the role of military force in international politics.

Third, it has become extremely important in the new circumstances to solve the following problems: the totally unified control of nuclear weapons and their reduction, as well as adherence to the nuclear nonproliferation treaty; the maintenance of the Union's role as a world power in questions on an international scale, above all the settlement of regional conflicts; the harmonization of the foreign political relations of the sovereign states belonging to the Union, with a common strategy on the world arena; and the inclusion of the republics in the activities of the United Nations, other international organizations, the pan-European process, and cooperation in the Asian-Pacific region, while the Union retains a coordinating role.

Fourth, the humanitarian aspect of foreign policy is the kernel of trust and therefore one of the bulwarks of international security. The September conference in Moscow on the human dimension again vividly showed this. The Supreme Soviets of the Union republics must complete the process of bringing their legislation into full accord with international norms. A foreign poliicy so guided, implemented in a professional, differentiated, and coordinated manner, will help enormously to uplift the country now that it has entered upon a new epoch.

These, comrade deputies, are some of my assessments of the situation and proposals for our work. I want to wish success to the new USSR Supreme Soviet.

Gorbachev Speaks to Journalists

OW2110120791 Moscow INTERFAX in English 1100 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Soviet President Mikhail Gorbachev said he was for keeping Russia united. "We need a live, stable and dynamically functioning Russia as the factor cementing the formation of a new Union state," he told journalists after his speech in the Union parliament.

Mikhail Gorbachev described the problems in the parliament and leadership of the Russian Federation as side effects of the process of search which sometimes becomes quite sharp. He also described the plans of some of the Russian Federation's leaders to proclaim Russia's independence as an "academic scheme".

"I'm not scared by emotions in the Russian Federation's parliament," he said, "and yet, the time has come to pass over to work".

He also said that as president of the Union he intended to declare the attempts of some of the republican leaders "to nationalize and privatize" the armed forces as "illegal and going against the constitution and the resolutions of the 5th Congress of People's Deputies of the USSR". This is how "constitutional measures" should be understood, he said.

New Chairman Elected

LD2110153591 Moscow All-Union Radio Mayak Network in Russian 1230 GMT 21 Oct 91

[Excerpts] As you know, the session of the USSR Supreme Soviet with new membership opened in Moscow today. From the Kremlin, here is our parliamentary corespondent Lyudmila Semina.

[Semina] [Passage omitted] I asked Valeriy Ivanovich Voskoboynikov, member of the Soviet of the Union, how the meeting was going. I have two questions for you: How do you assess the prospects of the new parliament's work, and what has been done by now, because the meeting of the Russian delegation is going on? It is a big delegation, and its meeting is taking place in the former Hall of Congresses of the CPSU Central Committee, which will now be the hall where the Soviet of the Republics will meet. [passage omitted]

[Semina] Today, the elections of chairmen of the chambers are going to take place. You have already formed an opinion, have you not, on whom you would like to see as the chairman of the Soviet of the Union?

[Voskoboynikov] Yes, just five minutes ago the voting took place on the candidature of the chairman of the Soviet of the Union, and the Russian delegation nominated Konstantin Dmitriyevich Lubenchenko for chairman of the Soviet of the Union chamber.

[Semina] He is young and energetic, and he is a lawyer.

[Voskoboynikov] Yes, he is a very conscientious person. After two and a half years' work in our former Supreme Soviet, he became very well known not only to the members of the Supreme Soviet and people's deputies, but also, I suppose, to a considerable number of our electors. I think this is a worthy candidate who will be able to organize the parliament's work in a new way, while we will support him in every way. [passage omitted]

Nishanov, Laptev Resign Powers

LD2110155791 Moscow All-Union Radio First Program Radio-1 Network in Russian 1500 GMT 21 Oct 91

[Report by Lyudmila Semina from the Kremlin]

[Excerpts] Separate sittings are now under way in the parliament of the chambers, the Soviet of the Republics, the upper chamber, and the Soviet of the Union, the lower chamber. Nishanov and Laptev, former leaders of the chambers, announced that they are resigning their powers. [passage omitted]

Ivan Laptev called on the Soviet of the Union to make use of the experience accumulated in a most careful and thrifty way. Deputies in both chambers are making decisions. A provisional secretariat of the chambers has been formed, as has a deputies' group for monitoring the electronic vote-counting system. Provisional standing orders are being adopted. The sitting of the Soviet of the Republics is being chaired by Vasiliy Yefimovich Golovnev, a deputy from Belorussia, and the sitting of the Soviet of the Union by writer and People's Deputy Boris Vasilyev.

The agenda is still rather long for today. A great deal of work lies ahead.

Presidium Session Ends on 'Sorry Note'

PM2110153391 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 1

[Report by S. Chugayev: "Insignificant Historical Event. Notes From, to All Appearances, Last USSR Supreme Soviet Presidium Session"]

[Excerpt] [Passage omitted] The last session of the USSR Supreme Soviet Presidium lasted just 45 minutes and, effectively, was reduced to a farewell speech to his colleagues from I. Laptev, chairman of the Soviet of the Union. Making all the appropriate noises to the effect that, while working in difficult conditions, Presidium members had nonetheless succeeded in achieving a great deal—in particular, placing the lawmaking process in a normal legislative framework—at the same time he expressed regret that the job they had started had to be abandoned halfway. However, at this juncture I. Laptev stressed that, even if he is elected to the Russian legislative deputation, it is predetermined that he will give up the chairmanship of the Supreme Soviet chamber.

In I. Laptev's opinion, the future Union legislature will not avoid clashes with the executive. Here recriminations were directed at the USSR president, who, I. Laptev reckons, has of late appreciably lost interest in the Supreme Soviet's work. And yet it had been the Supreme Soviet that bore the brunt of most of the republics' attacks on the center. If he bypasses the Supreme Soviet, I. Laptev believes, M. Gorbachev could end up isolated.

Most importantly, I. Laptev made an admission at this session for perhaps the first time at such high level. Albeit an admission of something generally obvious: the fact that, as of 21 October, the USSR will effectively consist of only seven republics—those whose deputations will take part in the work of the new Union Supreme Soviet, and will operate according to the laws adopted by that Supreme Soviet.

The session concluded with an expression of disquiet over incoming reports indicating that, on their return home, former members of the USSR Supreme Soviet have had difficulties in finding work.

This USSR Supreme Soviet Presidium session, the last in our country's history, ended on that sorry note.

Communist Party Group To Continue Activities

LD2110163991 Moscow Radio Rossii Network in Russian 1100 GMT 21 Oct 91

[Text] RIA reports that the USSR People's Deputy Roy Medvedev has stated that the CPSU group within the USSR Supreme Soviet exists, and will exist, despite the suspension of Communist Party activities. He announced that the group decided at a meeting that the suspension of Communist Party activities does not affect it.

Political & Social

Economic Union Treaty Signing Assessed

Leaders Remark After Signing

PM2110205691 Moscow IZVESTIYA in Russian 22 Oct 91 Union Edition p 1

[Correspondent Aleksandra Ligovskaya report incorporating comments by M.S. Gorbachev, B.N. Yeltsin, and Armenian President L. Ter-Petrosyan: "The Treaty is Signed—What Fate Awaits it?"]

[Text] The treaty is signed—what fate awaits it? Immediately after the signing of the Treaty on the Economic Community, our correspondent Aleksandra Ligovskaya put this question to three of the nine leaders who ratified this important document with their signatures.

Mikhail Gorbachev: "Perhaps the pace of transformations will be different everywhere, but after all, we all recognize the general principles, and that is the main thing. Concerning the state structure, it is a union of sovereign states. In the economy, there are mixed forms of ownership. And if such fundamental things are recognized, nuances will have no substantial significance."

Boris Yeltsin: "I think that the main thing now is who will actually join the Union, and who will remain outside it. There will be further surprises here."

Boris Yeltsin made the following comment on the report that filtered through to the press of a possible exchange of missile strikes between republics: "Absolutely absurd. I have examined this question with the military, and technically it is absolutely impossible."

Armenian President Levon Ter-Petrosyan, who was the first to put his signature to the treaty, asked whether he now feels like the master in the Kremlin or like a guest, replied: "I want to feel like an equal partner in the Kremlin. And I try to make sure this is so."

Ukraine Urged To Join

LD2210105591 Moscow Radio Moscow World Service in English 1000 GMT 22 Oct 91

[Text] Presidents of the Soviet Union and Russia, Mikhail Gorbachev and Boris Yeltsin, and the leaders of a number of sovereign republics have sent an address to the Ukrainian parliament, calling on the Ukraine to join in the work over the draft treaty on the union of sovereign states.

For one thing, the document points out that this address has been dictated by the desire to lead the country out of the crisis and bring people's life back to normal within the shortest possible term.

The message says that changes under way in the country after the August putsch removed obstacles on the way towards a profound democratic renewal of the society. Freedom and independence are prerequisites for the unification of peoples on a truly voluntary and equal basis.

It is said in the document that for many years the Soviet economy developed within the framework of a single complex, with thousands of people of different ethnic origin living outside the national borders of their republics. Several generations worked hard to create the Soviet military might. Although it is now being reduced, the message says, we bear responsibility before our peoples and the whole world for the reliable control over the Soviet nuclear potential.

The authors of the address express hope that the Ukraine, one of the largest union republics, will contribute to the unification of Soviet peoples and nationalities into a new single family. The message contains a belief that the Ukrainian people will favor future relations with all peoples in the nation on the basis of the new Union.

Economic Treaty 'First Step'

PM2110153591 Moscow PRAVDA in Russian 21 Oct 91 p 1

[Aleksandr Chernyak commentary: "Is Our Union Beautiful?"]

[Text] And so, it has happened! The Treaty on Economic Cooperation which has been talked about so much recently, was signed 18 October by eight sovereign republics. The first brick has been laid in the foundation of our new home.

The path toward this event was not smooth. Passions seethed, debates went on at all levels, and meanwhile the Union of Soviet Socialist Republics was quietly disintegrating. This is a feature that is unique to us: First of all we create enormous difficulties, and then we overcome them heroically.

Raising their glasses of champagne, the eminent statesmen congratulated one another. Let us add our voices to these congratulations, dear readers. A great deed has been done. Today there is simply no other, more reliable way of getting out of the crisis situation. Without accord, we cannot get the situation under control.

No, the treaty does not satisfy everyone at the moment. Maybe significant amendments will be made, but any journey has to begin with a first step, the sages said. And other steps will follow the first one—there are another 18-20 agreements waiting to be added, which will supplement the laconic points of the treaty. As Russian President B. Yeltsin noted, if the treaty works, "it will help us to stabilize the situation in Russia and in the country by September or by fall of next year."

The treaty must work! It is nevertheless time for the parliamentarians of sovereign republics to realize that on our own, without creating a single economic space, we will not clamber out of the mire in which have found ourselves. In itself the treaty is not a magic wand which will guarantee economic stability, because the problems remain. But this is a real attempt to overcome chaos. The main merit of the document that has been signed is its democratic nature, the equal rights of the republics, and respect for their sovereignty.

At the moment there are eight inhabitants in the new home; not all the republics have joined the treaty. You cannot imagine the Union without the Ukraine. However, Ivan Plyushch, this republic's representative at the signing ceremony, said that the Ukraine does not intend to "slam the door"; it will be a member of the economic community and will definitely join and sign the treaty after bilateral treaties are concluded with other republics. Moldova also wants to joint the economic union. But debates about signing the treaty are continuing in Azerbaijan. Georgia is categorically refusing, and is presenting a whole series of preconditions. We have not seen representatives of the Baltic Republics in the Kremlin either, as they are standing at the crossroads, not knowing whether they should go for the West or the East.

But nevertheless the foundations of the new state have been laid. And time will tell whether our new Union will be beautiful.

Legislative Action on Budget Deficit Urged

PM2110150391 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 2

[Report by I. Zhagel: "At Beginning of Year We Planned Budget Deficit of 26.7 Billion Rubles. We Have Already 'Reached' 84.4 Billion in October"]

[Text] Specialists from the USSR Control Chamber have completed their analysis of the working of the country's finance and budget system in the first nine months of this year and the ensuing picture can quite easily be described as an orgy of irresponsibility. The local authorities failed to meet their financial commitments to the republics. In turn, the republics failed to pay money into the Union budget. Due to lack of funds, Union structures were unable to implement the programs with which they had been entrusted, notably at individual oblast and kray level. We have come full circle, so to speak.

In just nine months the Union budget deficit totaled 84.4 billion rubles [R] instead of the R26.7 billion approved for this year. But that's not all: The Union-wide extrabudgetary stabilization fund, the unified social support fund, and the USSR pension fund failed to receive the money for which the law and economic agreements between the republics make provision. Thus, the overall total deficit rose to R120.3 billion.

According to established tradition, the lack of financial resources was offset by USSR Gosbank [State Bank] credits requested by the USSR president and the USSR Finance Ministry. The latter thereby put themselves in a tricky position; after all, the only way money can be "pumped" into the national economy is with the knowledge of the Union parliament.

However, according to A. Orlov, chairman of the USSR Control Chamber, the USSR president did not exceed his powers since the Law on the USSR Budget contains no clause regarding the procedure and time for obtaining the consent of the country's Supreme Soviet to Gosbank credits. Therefore M. Gorbachev can still appeal to the Supreme Soviet, which is now beginning work.

However, the following question arises: How will these credits be paid off, after all they have been issued on the basis of ability to pay. In actual fact, where will the Finance Ministry, despite its commitments and guarantees to the Gosbank, get the money by the end of the year?

"It was very strange for me personally," A. Orlov said, "to hear that the Finance Ministry is asking for more and more credit against... past years' budget residues! How can there be residues if all our budgets over the last four years have gone into the red? Or is it a question of some unknown sums of money?"

This is of course an interesting question. But I think that the credits were most likely taken on the basis that they would later simply be regarded as state debt, which not only is no one paying off today, but even interest is not being paid on a large proportion of it.

It is interesting that, despite the lack of USSR Supreme Soviet decisions regarding additional provision of credit, our parliament has not in the current situation succeeded in keeping face, so to speak. It was, after all, the parliament that adopted a budget at the beginning of the year that had many "defects" and could hardly be called balanced.

Moreover, last summer the USSR Gosbank raised the question of credit and monetary policy for the second half of this year for the agenda of the USSR Supreme Soviet session. However, deputies simply had no time for it. Or, more precisely, the question was discussed by committees and commissions but no acceptable solution was found and they therefore pretended that the problem does not exist—what an ostrich-like policy.

There is a great deal of talk now about the need to stabilize the economy and about boosting the national economy, but all this talk will be meaningless until our Law on the Budget becomes a law in the full sense, until we perfect tax policy and credit and monetary policy. Obviously these questions must also be examined in the first instance by the new USSR Supreme Soviet session now opening. If, of course, anyone subsequently carries out the decisions that the parliament adopts.

Gorbachev Decrees Radio, Television Provisions

LD2110173591 Moscow SEM DNEY in Russian No. 43, 21-27 Oct 91 p 2

["Decree of the President of the Union of Soviet Socialist Republics: Questions Concerning the All-Union State Television and Radio Broadcasting Company" issued by USSR President Mikhail Gorbachev in the Kremlin on 12 October]

[Text] For the purpose of setting up an efficient management structure for the All-Union State Television and Radio Broadcasting Company, I decree that:

1. The following amendments and additions be introduced into the provisions on the All-Union State Television and Radio Broadcasting Company approved by a decree of the president of the USSR dated 11 April 1991 (Gazette of Congress of People's Deputies of the USSR and of the USSR Supreme Soviet, 1991, No. 17, p. 506):

1) In subparagraph 14 of paragraph 44 the words "of the program and administrative council" to be replaced by the words "of the council of directors";

2) Paragraphs 47, 48, and 49 to be reworded as follows:

"47. The All-Union State Television and Radio Broadcasting Company is headed by a chairman appointed by the president of the USSR.

The chairman of Gosteleradio has deputies who are general directors of the main areas of activity, appointed by the president of the USSR on the recommendation of the chairman of Gosteleradio.

48. The chairman of Gosteleradio directs the company's activities. He is personally responsible for ensuring that Gosteleradio fulfills its tasks and discharges its functions. He determines the degree of responsbility of the deputy chairmen as general directors of the main areas of activity, of the heads of directorates and of other structural subdivisions and structural units, and also of the managers of the associations, enterprises, and organizations forming part of the company.

49. A council of directors is to be set up within Gosteleradio, comprising the chairman, his deputies as general directors of the main areas of activity, and the heads of other directorates.

The council of directors to be headed by the chairman of Gosteleradio. The members of the council to be appointed by the chairman of Gosteleradio.

The council of directors will examine at its sessions long-term and current issues affecting the work of Gosteleradio.

The council's decisions will be implemented, as a rule, by orders of the chairman of Gosteleradio.

2. The Chairman of Gosteleradio will prepare proposals for amendments to decisions of the USSR Government arising from the present decree.

M. Gorbachev, president of the Union of Soviet Socialist Republics
The Kremlin, Moscow
12 October 1991

Political Parties on Union, Initiatives, Prices

Zhirinovskiy Urges Workers' Resistance

OW2110162691 Moscow INTERFAX in English 1441 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Vladimir Zhirinovskiy, the leader of the Liberal-Democratic Party, urged the workers of St. Petersburg to resist the shipment of the output they make to the territories which have temporarily abandoned Russia and which call themselves "sovereign states". Addressing an audience during his visit to St. Petersburg he alleged that "hatred for Russians" flourished in those "sovereign states".

Asked about the August putsch, Vladimir Zhirinovsky urged to set up a public tribunal consisting of the most respected citizens to investigate "the show which began after August 21 and which has led the country to chaos and catastrophe".

Vladimir Zhirinovsky stressed that he advocated the restoration of social privileges for the Cossacks as was the case during tsarism.

Speaking about his attitude to Jews at a meeting in Kronstadt, Vladimir Zhirinovsky said that growth of anti-Semitism was inevitable. He said that Jews, through the media, were fanning anti-Russian moods and were actually undermining the state.

Medvedev Remarks on Party Revival

LD2010212191 Moscow Radio Moscow World Service in English 0000 GMT 17 Oct 91

[Text] The Soviet Communist Party is not legally banned yet, but its activities have been suspended. However, party property is being confiscated, and party buildings have been closed down. The party has actually left the political stage. However, factions of what used to be the Communist Party are trying to adapt to the situation and survive. Orthodox Communists are represented by the Communist Initiative Movement, the neo-Bolshevist Unity Party, the Marxist Platform, and the organizing committee of the Russian Party of Left-Wing Socialists. The latter is led by Roy Medvedev, a member of the national parliament, who was persecuted in the past for his anti-Stalinist views. Here are his explanations:

[Begin Medvedev recording in Russian with superimposed English translation] The Communist Party cannot be revived in its old form. That is why 10 Party members have come out with an initiative of forming a new party. It's clear that political life in this country will be incomplete without a party having the objective of constructing democratic socialism. [end recording]

Another member of the organizing group, a Party committee secretary from the town of Obmisnk, Gennadiy (Sklyar), has another argument:

[Begin (Sklyar) recording in Russian with superimposed English translation] If this place in the political spectrum is not filled now, adventurous orthodox forces of the Communist Party will rush to it, and our country will only lose. [end recording]

The organizing group hopes to hold the first congress of the new party as early as this year.

'Free Prices' Derided

LD2210010591 Moscow TASS in English 1832 GMT 21 Oct 91

[By TASS correspondent Nikolay Stepanchenko]

[Text] Moscow October 21 TASS—The Committee for Communists' Unity called on deputies of all levels "to prevent the introduction of free prices" on consumer goods and foodstuffs.

In a statement circulated here, the committee claims that the new leadership of the country "continues the anti-popular policy of Gorbachev-Pavlov, making attack on the living standards of the people".

In the opinion of the committee, the transition to "free prices" will lead to the soonest impoverishment of the majority of working people.

Union of Labor Collectives Holds Congress

LD2010225991 Moscow TASS in English 2052 GMT 19 Oct 91

[By TASS correspondent Yuriy Soltys]

[Text] Moscow October 19 TASS—The second congress of the inter-republican Union of Labour Collectives, which ended here today, worked out a programme of actions for the period of transition to market relations.

For three days some 550 delegates from republics and regions of the Russian Federation, the Ukraine, Belorussia and Moldova discussed the economic situation of the country, ways of acquiring independence by enterprises and labour collectives, legislative proposals, coordination of actions of the Union of Labour Collectives and Trade Unions, and adopted corresponding documents.

Participants in the congress reaffirmed unanimously their support for privatisation, but it should be reasonable privatisation, and not the one with the right of property stemming from the right to management. Now the right of property belongs almost everywhere to former ministries, transformed into various concerns and associations, and not to labour collectives, speakers at the congress stressed.

Delegates to the congress believe that the main direction of activities of labour collectives on the present stage is to restore justice and return industrial enterprises to workers, to give them an opportunity to decide their destiny by themselves.

It was stated at the congress that the federal and Russian leadership support this stand of labour collectives.

Trade Unions To Rally 23 Oct Near Kremlin

LD2210010891 Moscow TASS in English 1830 GMT 21 Oct 91

[Text] Moscow October 21 TASS—A rally of workers' solidarity will be held on October 23, chairman of the Moscow Trade Union Federation Mikhail Shmakov told a news conference for Soviet and foreign correspondents here today.

However, it will be held on the Manezh Square near the Kremlin, instead of the Sovetskaya Square in front of the Moscow City Council building as it was planned before.

According to Shmakov's estimations, the rally will be attended by almost 30,000 people. The event, to be held within the framework of the week of unity of actions, will carry the following slogans: "Market prices—market wages", "Clear mechanism to privatization of state property and housing", and "Jobs, not dole".

Attempted Coup Investigation Still in Progress

Investigators Encounter Difficulties

LD2010082191 Moscow Radio Rossii Network in Russian 0500 GMT 20 Oct 91

[Text] It has been learned that from competent sources that members of the legislative committee investigating the attempted coup who are working at the USSR Ministry of Internal Affairs [MAD] are experiencing great difficulties in getting documents and explanations from a number of leaders at the ministry. Meanwhile, a preliminary analysis of the facts shown that the majority of the internal affairs administrations of Kazakhstan, Uzbekistan, and the Ukraine supported the State Committee for the State of Emergency [SCSE]. It also appears that the Azerbaijani minister of internal affairs tried to obtain a major consignment of weapons from the USSR MVD on the sly. Members of the committee are now deciding whether to send the existing compromising documents to the committees investigating the SCSE. The workings of the Russian Soviet Federated Socialist Republic MVD in the days of the putsch have come to light: The Union leadership would apparently appeal to the internal affairs leaders of the autonomous republics, krays, and oblasts over the head of the Russian MVD. A bill on provisional presidential rule in the USSR, sent to the USSR MVD on 14 August by Golik, the notorious fighter for legality and law and order, has been revealed. The document planned to introduce martial law in the country, lift many constitutional norms, and disband the representative bodies of power.

Ivashko Denies Complicity

LD2010083691 Moscow TASS International Service in Russian 2218 GMT 16 Oct 91

[Text] Moscow, 16 Oct (TASS)—"These people (the SCSE [State Committee for the State of Emergency]) acted in conditions of profound secrecy," Vladimir Ivashko affirms. In an interview to NEZAVISIMAYA GAZETA the former deputy general secretary of the CPSU Central Committee denies the complicity of the Communist Party leadership in the putsch.

Vladimir Ivashko said that at the moment of the putsch he was convalescing after an operation in a sanatorium near Moscow. "I learned about the events which occurred from a TV broadcast. On Sunday 18 August I spent the entire evening reading the correspondence which had been sent to me."

Ivashko affirms that the policy of keeping him in ignorance of what had occurred "was unfailingly kept to both on the night of 18 to 19 August and the morning of the 19th".

Ivashko affirms that on 19-20 August no one from the SCSE telephoned him. He did not call any of them. Asked why the Politburo or the CPSU Central Committee Secretariat did not make any statement concerning the activity of the SCSE, Ivashko said the 21 August statement of the Central Committee Secretariat was well- known. It was distributed by the masss media. On the same day Aleksandr Dzasokhov, secretary of the Central Committee, held a news conference concerning the events.

"It can be said that all that was done later, but we must also consider those specific conditions in which the people in the leading bodies of the party had literally been taken aback by the news of the coup." In Vladimir Ivashko's opinion, now any political activity in the framework of the CPSU structures which used to exist "can be qualified as unlawful, with all the consequences which ensure therefrom." Speaking of his own plans, he said that in the present conditions younger people should engage in political activitiy. "If I get the opportunity, I will assist this, although major political work is no doubt ending for me now."

Stepankov Interview

LD20[illegible]095491

[Editorial Report] Moscow Central Television First Program Network in Russian at 0540 GMT on 16 October carries its regular edition of the morning magazine program "Utro," which includes a 10-minute interview with studio guest Valentin Georgiyevich Stepankov, procurator general of Russia, by the two program hosts.

Asked about the people who have been arrested in the case of the State Committee for the State of Emergency, SCSE, and the fact that, on the one hand, it has been rumored that they are "already doomed and will be sentenced virtually to the supreme punishment," while other rumors claim that they will not even be brought to trial, Stepankov says:

"Of course, it is painful for me to hear this. They are even trying to bring us under suspicion and to compromise the investigation in order to demonstrate either the inability of the investigation to deal with this complex situation or to show that the investigation is dependent upon top officials in our country. They are criticizing me for reporting on the case to our presidents, although I have had only one meeting with Mikhail Sergeyevich, at his request. Nevertheless, the investigation goes on. We are vigorously carrying out interrogations, we are confronting the arrested individuals with documents—and some very serious documents have been seized, believe me. Returning again to the question of whether divulging a certain amount of this material was not to our advantage, I will put it this way: We have enough documents today to bring about two, three, four, or perhaps even five more major political scandals. But we are not doing that because we believe that these documents should be presented in court.

"So the investigation is now at this stage. Somewhere around the middle of November we will arrive at the official, final, filing of charges. It is possible that complications could arise, mainly from the health of the arrested parties, because these are people of advanced age, and there could be certain other complications. But as for the complaint that we are not striving to ensure that the trial takes place this year, that is not a possibility because we have to carry out all the actions of the investigation. When they are able to look at them, or when the court begins its considerations, does not fall within the realm of the investigation."

In response to another question, Stepankov talks about his personal feelings about his job as prosecutor and about the role of women in present-day criminal activity. He is then asked to comment on the fact that "there has been such a large leak of investigation material to the West." Stepankov replies:

"I can say one thing: We have not given out any documents officially, and we have given no authorization for them to be published. The investigation is not entitled to do so, but that is not even the case with regard to 'DER SPIEGEL' and the other mass media. I am able to say that those documents were stolen from us. An internal investigation is now under way to discover how it was done. We have narrowed down the circle of individuals involved. We have determined the only two ways in which this information could have been leaked and it only remains to complete the checking. The checking will be done, and I think we will announce the conclusions at which we arrive from this situation.

"But a lot of noise is being made about this today. The newspapers are printing a great deal. I appreciate that an active campaign to sell subscriptions is taking place at the moment—the mass media have to be supported—but everyone unfortunately forgets about the accused. Perhaps it is not the prosecutor's job to say that their right to a defense is being infringed upon, but nonetheless, in printing this evidence, we are trying in the mass media to drive them into a corner, in a way. But the accused does have the right not to give evidence at all or to reject the initial evidence he gave. I would not want anyone to subsequently complain if they change their evidence in court. That is their right. But it is now much more difficult for them to do so because public opinion is already dominating this case."

The interview ends with Stepankov speaking in general terms about the continuing increase in crime in Russia and the pressure this puts upon law enforcement bodies. He notes that crime is best combatted by increasing the certainty that criminals will be caught.

Economic

IZVESTIYA Views Statistics, Predictions

Currency Situation 'Depressing'

PM2110204491 Moscow IZVESTIYA in Russian 22 Oct 91 Union Edition p 2

[Article by V. Romanyuk: "Why Our Hard Currency Coffers Are Empty"]

[Text] What state is our hard currency budget in? Do we have any hard currency to our name at all?

The USSR State Committee for Statistics reports: The country's foreign trade turnover in the first nine months of this year, at current prices, amounted to 112.6 billion foreign currency rubles [R], which is 38.1 percent less than in the same period last year. Exports were down 30.3 percent, imports 45.2 percent. The crisis in the budget system which arose at the beginning of the current year has intensified with every succeeding month, and the gap between state expenditure and revenue returns has grown. In the period January-August the deficit reached R76.5 billion, as compared with R33.9 billion last year.

Despite the meagerness of hard currency export revenue—R1.4 billion in September and R1.4 billion likewise expected in October—our hard currency appetites are in no way diminishing. We require a minimum of $10.5 billion worth of credits for the purchase of grain alone. Our other foreign currency needs are also impressive.

On the whole the situation regarding our hard currency looks extremely depressing. Because of the country's loss of international prestige, the outflow of deposits from the Bank for Foreign Economic Activity has increased; hard currency receipts have also decreased because of the nonfulfillment of export deliveries. It is necessary to choose the absolute top priorities: food, children's food, medical supplies, raw materials for the production of consumer goods, and payment of freight charges. An extremely modest sum—150 million foreign currency rubles—is left for food purchases out of the total volume of 621 million which we have at our disposal in October.

Let us cite the following figure: The shortfall in the anticipated export levels today amounts to R2.5 billion, which includes R1.7 billion in freely convertible currency. The Union Ministry of Economics and Forecasting together with the Ministry of Foreign Economic Relations recently drafted proposals for drastically increasing exports in the last quarter of the year. Constructing their strategy on paper and ignoring realities, they suggested setting the target at the level of 7.5 billion foreign currency rubles! And by way of an incentive for exporters of nonferrous metals, sawn lumber, and a number of other items they suggested lowering tax rates on exports.

However, on the whole this balance sheet was compiled in the spirit of the old times, in an arbitrary manner, and economic managers asked indignantly: From what sources are we to increase exports? Where are we to get the additional 6.5 million tonnes of coal and 5 million tonnes of oil which it is suggested we sell in addition? It can only be taken away from domestic consumers. There are already 25 blast furnaces out of action—so do we stop a few more? Theoretically it is possible to do this. To leave transport vehicles without gas is also feasible. But what do we gain from this manifest loss?

Today it is becoming increasingly obvious: The Union organs which have resumed their activities are, just like before, ignoring the positions of the republics and trying to share out the meager hard currency resources as they see fit, which includes directing them toward questionable investment projects. At the same time, vitally important areas are being denuded; in particular there is no money to buy spare parts for urban transport, and today 26,000 of a total of 60,000 "Icarus" buses are standing idle.

Where is the money to come from? The conclusion sounds rather vague: Let the republics scrape around in the granaries and decide what to buy, and in return for what. The utilization of investment credits also remains a problem. How should the republics' quotas be determined? Many criteria have been elaborated, but the main and natural one is still... the volume of the republic's exports.

In other words, the bigger the exports, the bigger the credit quota. With special preference given to those who use credit for the purpose of meeting common needs. For example, Turkmenia and Moscow City raised the question of investment credit to develop the production of polyethelene and glass containers, which all regions are greatly in need of. Naturally, this prompted no objections.

And a last point: Credits are given to us reluctantly, since it is not always clear who is their guarantor. Western creditors want to deal with a single community, not with 15 states. The issue is entirely pragmatic: It is easier to get your money back from a single debtor. If, of course, you actually hand any money out at all.

'Chaos Reigns' in Food Sector

LD2110180791 Berlin ADN in German
1256 GMT 21 Oct 91

[Text] Hamburg (ADN)—Arkadiy Volskiy, deputy head of the Committee for Operational Management of the USSR, has spoken out in favor of USSR credits earmarked for a specific purpose. Credits should be linked to concrete projects under joint control, otherwise thousands of millions without earmarking threaten to disappear, Volskiy said in a SPIEGEL interview. As an example of linked loans, he mentioned the oil industry, which lacks money and technical equipment. In the latest edition of the news magazine, the politician at the same time rejected the splitting up of Soviet foreign debts and the preservation of the central foreign trade bank to service the debts. According to Volskiy, this year's USSR harvest is the worst for 15 years. If the grain harvest in 1990 was 228 million tonnes, the figure this year was at best 170 million tonnes. A total of 85 million tonnes will have to be bought to provide bread for the city population and animal food; however, so far the farmers have delivered only 32 million tonnes and are hoarding grain. In the assessment of Volskiy, who is also chairman of the USSR Scientific-Industrial Union, chaos reigns in the food sector. Other sectors are not quite as bad yet. Volskiy expressed the hope that the economy could be stabilized. With the economic treaty and 20 further agreements, the dramatic decline of the economy can be stopped. A start was made with competition and private initiatives. Cooperatives employ 7.5 million, tenant collectives 12 million, and joint ventures 200,000 people. Furthermore, there are more than 300 stock exchanges and over 3,000 smaller banks.

'Unhappy Picture'

PM2110140191 Moscow PRAVDA in Russian
18 Oct 91 p 1

[Report by Yu. Medvedyev: "What's Giving Us a Headache Today"]

[Text] The regular USSR State Committee for Statistics report on the situation in the country's national economy in the first nine months of the year has been published. If it is true that four or five years ago not a line of the document passed by without a figure with a "plus" sign—indicating an increase, nowadays you will note that the "pluses" have become quite rare.

Even many of the tabulation headings now begin not with the words "Growth Rate" but with the words "Rate of Decline." How distressing it is to realize that they depict the bleak picture which has emerged in our economy.

It is an unhappy picture. In the first nine months, in comparison with the same period last year, the national product fell by 12 percent, produced income by 13 percent, and the productivity of social labor by 12 percent.

Take bread to start with. Millions of posters and slogans have been circulated declaring that it is "everyone's master." But the matter goes no further than appeals, and the heads in our country are not aching over bread. Otherwise you cannot explain the fact that the estimated gross grain harvest this year constitutes (without the Baltic States) around 160 million tonnes—25 percent down on last year.

Things are bleak in industry. In nine months, industrial production fell by 6.4 percent. One reason for this is the deterioration of contract discipline. The volume of products not delivered to consumers is valued at 31.6 billion rubles.

A difficult situation exists in the fuel industry. Coal extraction fell by 11 percent, and oil—including gas condensate gas—by 10 percent. Winter is upon us. By the cold season enterprises and organizations had accumulated 10 percent less coal and 8 percent less furnace oil. So, whether or not it will be warm in our residential and production premises depends to a significant degree on how economically we use our fuel, and if we refrain from pumping it into the atmosphere in a vain attempt to heat it up.

A brief word on other indicators. From the start of the year, industrial output of meat stood at 88 percent, the production of sausage items—92, butter—87, and granulated sugar—83 percent. Some 24-28 percent fewer leather shoes and sewn, knitted, and hosiery garments were available for sale. Overall, things look bad in the economy. This is what is giving us a headache.

'Deep Financial Crisis'

OW1910113091 Moscow INTERFAX in English 1428 GMT 18 Oct 91

[Interview with Vladimir Rayevskiy, USSR deputy finance minister, by Aleksandr Blokhin; place and date not given; transmitted via KYODO]

[Text] [Blokhin] Let's begin with the budget deficit, Mr. Rayevskiy. Where does it stand this year?

[Rayevskiy] For the country as a whole, it may reach 300 billion rubles, made up of 200 billion in the centre plus 100 billion total in the republics. I can add that, in the last quarter, the deficit usually rises at a rate of 20 billion a month.

[Blokhin] This stunning deficit is somewhat puzzling. How has it come about?

[Rayevskiy] The crisis follows some grave errors in recent economic policies. Let me quote some figures: from 1968—when the problem emerged for the first time since 1943—and to 1985 the deficit grew up to 18 billion rubles, and then just in three years it jumped to 120 billion in 1989.

In the same old style as campaigns for industrialization or militarization, our government tackled "raising living standards" and "reviving agriculture" without backing them by needed structural changes—and a financial crunch came with inavertible logic. Temporary props, such as favourable market condiions for some traditional exports—oil in the first place—served only as a trap for when they failed, the comedown was all the more painful.

Still, the growth of the deficit in 1986-89 would have been less shocking if the trade gap hadn't coincided with large-scale disasters (Chernobyl, Armenia, and others), and armed conflicts in Afghanistan and other "hot spots" draining national resources. The worst error, though, was stepping up social programmes and investing in the so-called "acceleration" without a real financial base. We all remember how in that period we tried to do away with "bad habits" in the traditions of Communist Party committees' campaigns—the anti-alcohol drive alone cost the budget billions of rubles which were injected in the shadow economy boosting its strength...

[Blokhin] But, why did nobody raise the alarm earlier about the possible negative consequences of such economic policies?

[Rayevskiy] To tell the truth, it wasn't too hard to predict the present realities. Many experts—even with what statistics were available—warned about falling economic effectiveness paralleled with rising budget expenditure outstripping the growth of national income.

They had no access to full statistics for the very fact of budget deficit was guarded as a state secret till 1989. That situation shielded from responsibility those who were running the country with complete disregard of economic realities for the financial results of their planning and managerial decisions were hushed up. The dominant factor was planning quantitative material output ignoring the financial balance. Most of those plans, naturally, remained on paper. The motto of state economic policy was "the price is to serve the plan," or "the budget is to provide for planned expenditure." In other words, the budget and economists drawing it were held responsible for the result without a chance to influence it.

[Blokhin] You can't deny, though, that the government of Nikolay Ryhzkov made substantial progress in correcting the budget...

[Rayevskiy] The measures taken against the budget deficit by the second government of Nikolay Ryzhkov in 1990 were unprecedented in our country—he succeeded in cutting it from 120 to 41 billion rubles. But, again the old-style approach—pursuing that aim irrespective of the overall economic process—only served to aggravate the budget problem later. Cutting investments in some branches, particularly in fuel and energy, stilted growth undermining export earnings and budget revenue.

[Blokhin] You said Ryzhkov's second government sharply cut government expenditure. Why did the deficit jump in the next year, 1991?

[Rayevskiy] That same government of Nikolay Ryzhkov launched in 1990 a new series of social programmes, including the new Pensions Law.

Then there was a law reducing industries' profit taxes costing the budget 47 billion rubles in 1991. Next, parliament extorted higher wholesale prices which triggered off all prices doubling in April 1991.

All those decisions have resulted in the present situation—a deep financial crisis calling for painful measures to overcome it.

[Blokhin] But with the old tax rates most managers saw no sense in developing their productions for all their profit was "swallowed up" by tax. Is that right?

[Rayevskiy] I think talk of "extortionist" taxes in the USSR is somewhat exaggerated. The official tax rate now is 32-35%, and with some tax allowances, it averages some 28%. Before the new tax law, the average profit tax was 50-55%, and even then the budget deficit was a reality. On the whole, my last year's calculations show the tax to amount to slightly more than a third of the GNP. That's approximately the same as in most European countries.

[Blokhin] And what do you think of dividing the budget between the central government and the republics this year?

[Rayevskiy] If not erroneous, the measure is premature with the—present deterioration of the budget balance.

The financial authorities in the republics—seeing a rising deficit and lacking experience in balancing the budget—began to block revenue from the central budget and to keep it on their balances. This illusive budget improvement was immediately used in many cases to finance additional expenditure.

That has forced the central government to new money emission to cover its expenditure, including social outlays. The emission is likely to run into 130-140 billion rubles by the end of this year compared to 28 billion last year.

[Blokhin] Are there any way to cut the government expenditure?

[Rayevskiy] There are some chances, of course. In the past nine months, we have saved some 20 billion rubles, but far from painlessly. Short of government financing, the economy, and particularly the social sphere have to seek commercial credit at high interest rates. That burdens it with heavy debts just before it is to pass under the jurisdiction of the republics beginning next year.

As to defence expenses, they are certainly high—108 billion rubles, though in constant prices they are 18% less than in 1989. Even here cutting expenses without due programme and, organisation would result in losses rather than savings.

[Blokhin] How should the budget problem be solved then, to your mind?

[Rayevskiy] The deficit will persist unless the whole budget and tax system is radically reformed. That involves, first, optimizing government expenditure through denationalization and privatization, with the exception, perhaps, of energy, transport, and other fields where state control is desirable if only for large capital which is beyond the internal and unattractive for foreign investors.

Second, clamping a moratorium on all social programmes beginning with next year if we are to avoid further emission, devaluation of money, and rising prices which would swamp all social payments anyway.

Third, ending all tax allowances and keeping an average tax rate of about 35%. In this, we are to be ruled not by emotions, but by calculations. We can exempt only donations for culture and social development essential while the budget has to economize to do away with the deficit.

Finally, replacing the turnover tax incompatible with market principles by government exise duties and VAT—value-added tax—which allows for inflation and may help the state to finance programmes in support of the least-protected low-income groups. Contrary to popular belief, the current price rises yield the government revenue far below what's needed for the indexation of incomes and budget expenditure, in other words, rising prices only increase disbalance [imbalance].

Legislation implementing the above points has been prepared and passed to the republics for discussion. Those bills may be imperfect, and the republics are free to amend them. But, we'd better keep the general principles and the basic laws in common, which needn't prejudice the republics' own revenue.

I'd like to stress that the measures suggested here go beyond purely economic problems and require political since they involve denationalization and privatization. Besides, we need coordinated policies from all the members of the Economic Union, we need financial order.

[Blokhin] And what do you think of the republics trying to solve their finacial problems by introducing their own currencies?

[Rayevskiy] Those attempts are fragmentary and can only aggravate the situation in monetary circulation. Introducing national currencies in some of the republics could cause an influx of rubles to Russia and force it to introduce a currency of its own. That would require at least 18 months' preparation. Other protective measures are possible, but less effective.

[Blokhin] Can a new monetary reform help us?

[Rayevskiy] That would make no economic sense with the present weak executive power, with the current situation in banking, with big wealth kept in goods or property rather than cash or savings. After an extremely painful monetary reform its economic effect may peter out within three months—look at the recent unhappy experience of exchanging the 50 and 100 rubles banknotes.

To conclude, the axiom is that running a state without regard to finance is reckless. Until planning at all levels is based on money which is restored as payments means the country and its monetary system will go on declining.

'Things Will Get Much Worse'

AU2110131391 Hamburg DER SPIEGEL in German 21 Oct 91 pp 155-159

[Interview with Arkadiy Volskiy, president of the new Soviet Science and Industry Association and deputy chief of the Interrepublican Economic Committee, by Joerg Mettke and Rudolf Wallraf in Moscow; date not given: "We Are Not so Poor"]

[Text] [DER SPIEGEL] Mr. Volskiy, people are lining up in front of shops and food stores. Will the Soviet citizens have to starve this winter?

[Volskiy] The situation is very different from region to region. There are regions that are very badly off and others that are better off. We had the worst harvest of the past 15 years. In 1990 the Soviet Union harvested 228 million tonnes of grain, this year there will be 170 million at best. But not even this amount reaches the consumer.

[DER SPIEGEL] Where does it get stuck?

[Volskiy] About 85 million tonnes of grain must be bought for bread for the cities and for feeding the animals, but so far the peasants have sold only 32 million tonnes. They are simply hoarding the grain.

[DER SPIEGEL] But this cannot be the only reason for the empty shelves.

[Volskiy] Another reason is the dissolution of the Union. The Ukraine, for instance, has established more than 30 customs posts at its borders with the result that the Sunday before last [6 October] one kilogram of meat cost five rubles on the peasants' market in Poltava in the Ukraine, but in Moscow it cost 10 times as much.

[DER SPIEGEL] Are these the effects of the first steps toward a market economy?

[Volskiy] I would not link this with the market economy. We have not yet come so far. These are the effects of decisions by our former government that were not thought out.

[DER SPIEGEL] Which decisions do you mean?

[Volskiy] For instance wrong decisions in financial and monetary policy but also the rapid printing of rubles. In the past we had a gold ruble, then at least a brass ruble, and now we have a wooden ruble. This is a synonym for galopping inflation.

[DER SPIEGEL] How bad is the situation of the Soviet economy really?

[Volskiy] We already have chaos in the foodstuffs sector. In the rest of the economy this is not yet the case. If common sense wins over populist sentimentality among the leaders of the republic, we will even come to a stabilization.

[DER SPIEGEL] And if not?

[Volskiy] If the quarrel of the republics about their sovereignty continues, the market economy will not be able to help us, either. Then we will have economic anarchy without any prospects of a rescue.

[DER SPIEGEL] Are you optimistic or pessimistic?

[Volskiy] I can answer this question by telling a joke. Two people meet and discuss the future of the economy. One says he is a pessimist and believes that things cannot get worse. The other says he is a optimist and believes that things will get worse.

[DER SPIEGEL] What are you?

[Volskiy] I am an optimist. Things will get much worse.

[DER SPIEGEL] How many unemployed do you expect?

[Volskiy] If nothing is done, 10 to 14 million by the end of next year.

[DER SPIEGEL] Must the Soviet economy declare its bankruptcy?

[Volskiy] Not necessarily. If the economic agreement between the Union and the republics is signed and the about 20 other contracts and agreements governing the relationship between the center and the republics are concluded, the dramatic decline of our economy can be stopped.

[DER SPIEGEL] Economic reforms are continually announced, a flood of laws is passed. But nothing happens.

[Volskiy] Quite a lot is happening at all levels.

[DER SPIEGEL] In the giant complex of the arms industry, which comprises two-thirds of industrial production, the planned conversion to civilian production is not making progress.

[Volskiy] It is naive to assume that a factory where nuclear bombs are produced can be quickly converted to the production of cooking pots.

[DER SPIEGEL] Do you therefore have to continue producing nuclear bombs?

[Volskiy] Of course not. Let us take airplane construction as a better example. There we have made more progress. In Saratov production of civilian airplanes has already been started. The same also goes for our helicopter factories. It would certainly be stupid to turn a factory for on-board systems or cruise missiles into a factory for the production of spoons. There must simply be a way to produce other electronic products in such high-tech enterprises.

[DER SPIEGEL] Do you need western aid for that?

[Volskiy] Outside there is, for instance, a U.S. delegation, which wants to get into business with us for airplane construction. Recently we concluded a contract with German Aerospace.

[DER SPIEGEL] To what extent is there already competition and private initiative in your economy?

[Volskiy] There are good approaches. Recently the will of many people for entrepreneurial activities has become visible. The number of employees in cooperatives [Kooperative], which could be compared with your cooperatives [Genossenschaften], has risen from 4 million to 7.5 million within a short time. More than 12 million people work in lease collectives [Pachtkollektive]; 200,000 in joint ventures. In total, there are 22 million. Is this nothing?

[DER SPIEGEL] Compared with the overall population....

[Volskiy] ...if you count the family members, you have already 65 million. No one can overlook this army anymore, these people are already working according to the law of supply and demand.

[DER SPIEGEL] But they do not create a market.

[Volskiy] You are very impatient, even more than I and my Industry Association. And we are more impatient than the government and other bodies. The government is not pushing ahead with infrastructure measures as the precondition for a functioning competition, and therefore we are heading this movement. Today there are already more than 3,000 small business banks and more than 300 stock exchanges. By the way, we owe this wave of founding to the putsch.

[DER SPIEGEL] How so?

[Volskiy] It may seem paradoxical, but the wave started in such a strong way only after the putsch. The people are no longer afraid since the conservative forces were removed.

[DER SPIEGEL] You enthuse about the many private economy initiatives. On the other hand, you are calling for central economic control. Is this not a contradiction?

[Volskiy] Not at all, because control is the wrong term. However, I am decidedly in favor of the center keeping certain powers beside the republics in the common economic space, which we are striving for.

[DER SPIEGEL] Do you not fear that the old structures of the command economy will be preserved?

[Volskiy] The center in the old form must not and will not exist any more, and the same goes for the Soviet empire. But things will not work without an ordering structure.

[DER SPIEGEL] How do you want to break the monopolies of the production combines?

[Volskiy] You can ask this question of any country. I ask you a question in return: How do you break the monopoly of your Ruhrgas company? With this I want to say: We must take over some structures and destroy others.

[DER SPIEGEL] There is, for instance, only one factory in your country that produces chains. It supplies the entire Soviet Union from Latvia.

[Volskiy] This factory is supposed to supply all clients in all republics also during the transition period of the Economic Treaty. I guarantee you that further chain factories will be established everywhere in the meantime, which will then be more cost-effective because they will save the high costs for transportation over thousands of kilometers.

[DER SPIEGEL] Is this not wishful thinking? How do you want to drag the factory directors and the staff out of the jog-trot of the planned economy?

[Volskiy] We will do it no differently from the way it is done all over the world and, in particular, in the ex-GDR. We must retrain the people, create new jobs, above all in the service sector, and gradually carry out privatization, as your Trust Agency is doing for instance.

[DER SPIEGEL] How do you want to combat the dramatic inflation?

[Volskiy] There are no clever recipes for that, either. All the world has experienced inflation. Armament expenditures must be reduced, as everywhere, and the unproductive administrations—thus, saving, saving, as the textbooks say.

[DER SPIEGEL] However, they also say that international cooperation presupposes the disclosure of conditions of payment and the financial conditions. Why does Moscow keep its currency reserves so secret?

[Volskiy] If you mean our gold, my friend Yavlinskiy presented figures to the IMF in Bangkok.

[DER SPIEGEL] Many experts think that gold reserves of 240 tonnes are very incredible.

[Volskiy] I think that a comparison of the gold reserves that are lying around in some safes does not tell much. The Americans store their gold in Fort Knox. Our gold reserves are far more than 240 tonnes, they are still in the ground. You see, we are not so poor. A country that is blessed with enormous treasures in the form of precious metals and important raw materials, must simply not live poorly.

[DER SPIEGEL] But first of all you have to get these treasures out of the ground. So far you have not managed to do so on your own.

[Volskiy] Two republics, Russia and Kazakhstan, have already decided on measures to extract the treasures. An entire package of laws has been submitted to the Supreme Soviet of the Union for adoption. Western countries and companies are cordially invited to help us with loans and know-how in exploiting our raw material reserves.

[DER SPIEGEL] The west is currently very cautious with loans to your country.

[Volskiy] I can understand that. Billions that are not tied to specific projects are in danger of oozing away somewhere. Therefore, I recommend linking loans to specific projects with joint supervision.

[DER SPIEGEL] Do you have an example?

[Volskiy] We have a lot of crude oil. After the war we opened 26,000 oil wells, which were then closed again. At the moment there is some sort of international tender for proposals on how these wells could be reactivated. We lack, above all, technical equipment, not only money.

[DER SPIEGEL] How are the paying ethics of the Soviet Union at the moment?

[Volskiy] Nothing has changed in this respect.

[DER SPIEGEL] The western creditors fear that the republics will refuse to pay interest and to repay foreign loans if financial sovereignty is transferred to them.

[Volskiy] I am categorically against splitting our foreign debts. They are to be serviced centrally by the Foreign Trade Bank also in the future.

[DER SPIEGEL] In Bangkok the Soviet Union was requested to commit itself to repaying its foreign debts of about $70 billion.

[Volskiy] Of course we will agree to this commitment, even though at the moment only the German and Italian Governments show real understanding for our difficult situation. The Americans are considerably more restrained, not to speak of the Japanese. Much is being said about aid, also about aid to combat the threatening hunger next winter, but little is done in terms of specific projects.

[DER SPIEGEL] The winter may be difficult, the path toward a renewed economy is long. Is the population joining in the effort?

[Volskiy] I see the danger that the population will be fed up with suffering. This is why I hope that the Western world will accompany us on our thorny path of reforms not only with good wishes.

[DER SPIEGEL] Do you also see the danger of a new putsch?

[Volskiy] Unfortunately, the danger has not been banished.

[DER SPIEGEL] Mr. Volskiy, thank you for this interview.

Status of Food Production Facilities Examined

PM2110150591 Moscow IZVESTIYA in Russian 18 Oct 91 Union Edition p 2

[Report by V. Romanyuk: "No 'Monopoly Money' To Earn Foreign Currency Rubles"]

[Text] A session of the Committee for the Operational Management of the USSR Economy on Wednesday 16 October 1991 examined the status of projects to construct facilities for the production of food to replace imports. There are 42 of these construction projects in all (14 percent of the major construction projects included in the state order). However, the prompt commissioning of these facilities—at the end of 1991 and in the first half of 1992—would make it possible to stop buying 1.2 billion rubles' [R] worth of parts and materials for the chemical industry, metallurgy, and pharmaceutical and other industrial sectors (more than 10 percent of all our imports) abroad.

The facilities are distributed as follows: 24 in Russia; seven in the Ukraine; two in Belarus; five in Kazakhstan. The inevitable question is: Who is going to complete them and where will the money come from? After all, as we understand it, the Union budget will not exist in 1992.

The draft order on this matter, dreamed up by the Union Ministry of Economics, was, as ever, in the nature of a directive. In order to commission facilities and at least go some way toward reducing dependence on the West, you also need money. Where does it come from? Attention was drawn to opportunities like the mobilization of enterprises' available funds and commercial bank capital. Another possibility is the establishment of a joint-stock corporation involving all interested republics.

A. Volskiy said he had telephoned around 14 sites and it was the same story everywhere: No money to complete construction. The committee members agreed that the construction projects must be financed despite all the difficulties. However, I. Silayev stressed that the problem cannot be solved by directives, but conditions should be created to ensure that priority construction projects benefit all those involved in the investment process. Competition for contracts to construct certain projects would mean that the new owners would commission the facilities more speedily. The committee chairman opposed the old principle of shared financing by the republics of all these construction projects, imposed from on high, and proposed the wider use of commercial structures and their potential.

But the majority of committee members again favored "directives." I. Silayev requested that it be recorded in the session minutes that he was opposed to the measure but had submitted to the majority decision. The session ended on that peaceful note.

Laws To Regulate Foreign Capital Necessary

OW2210045191 Moscow INTERFAX in English 2135 GMT 21 Oct 91

["Cover Story: A Lack of Appropriate Legislation Holds Back Investment in Oil Extraction"; from the "Soviet Business Report"—transmitted via KYODO]

[Text] The energy sectors of Soviet industry could attract a considerably larger volume of Western investment. For this, however, a much wider utilization of arrangements that are not traditional for the Soviet Union—such as production agreements with foreign firms for the exploration and development of oil deposits—is needed.

Joint Ventures: The Figures Are Not Impressive

In the oil industry some 50 joint ventures have been registered to date, of which 16 are functioning. (At the beginning of 1991, 22 had been registered and seven were functioning). Negotiations are now underway on setting up another 40 joint ventures. For the USSR, such results are only a drop in the ocean.

Only 4 percent of the total number of joint ventures registered in the USSR are functioning in those branches of the economy which produce the country's main export commodities—primarily, fuel and lightly-processed raw materials. It is in these joint ventures, however, that the founding capital is the largest, averaging 11.3 million rubles ($18 million according to the official Soviet exchange rate). For other types of joint ventures in the USSR, funding capital averages some 3.4 million rubles. But even this volume of funding capital is low in the light of international standards and is especially so in cases of capital-intensive energy projects. For the most part, only small foreign firms have ventured into the production of raw materials for energy in the USSR—and these, in insignificant number.

Only Concessions Have Been Permitted

The fact that the Soviet Union still does not have specialized mining legislation is one of the main factors warding off foreign business.

Legislation applicable to enterprises which have foreign participation has been drafted without taking into account the specific conditions prevailing in the mining industry and it also ignores economic rent in mining: The USSR Law on Property mentions "payment for exploiting the earth" but fails to be more specific.

The decree issued by President Mikhail Gorbachev in October 1990, while it permits 100 foreign-owned firms to be set up on the territory or the USSR, does not eliminate such shortcomings.

The conflict between the central government and the republics on questions of property has still not been settled juridically. Despite the fact that the republics have proclaimed themselves the owners of all their territory and of its resources, control from Moscow still continues despite the fact that the center has lost authority and leverage.

"The Basic Legislative Principles for Foreign Investment in the USSR," adopted last year, also has shortcomings which limit foreign participation in the sphere of producing raw materials for energy. Article 41 of the law, under the heading of "Concessionary Agreements," limits foreign participation in the exploration and development of natural resources in the USSR only to concessions. No permission is given in the law for arrangements such as production sharing, or risk service and pure service agreements.

Production Sharing Contracts Are the Most Desirable

The majority of specialists, however, believe that for the USSR, as a host country, the most suitable "models" at the present time would not be concessionary agreements, but production-sharing contracts. When a concession is offered, the host country (the Soviet Union) increases the inflow into its budget of national currency (in this case, unconvertible rubles) through taxes. In instances of production sharing, hard currency accrues through the sale of oil.

In any case, the Soviet Union is in need of special mining legislation, although as the situation is now developing, such legislation will be passed at the republican, rather than at the central, level.

Special Legislation Modifies the Conditions of Negotiations and Agreements

The passage of special legislation would provide a rigorous juridical base for attracting foreign capital into the energy raw material branches and would put the entire procedure for negotiating with foreign firms on a new basis. New laws are needed so that the country can move from a role of passive waiting for opportunities to cooperate in production with foreigners to an active governmental policy geared to enrolling foreign capital. Until now, the Soviet Union has limited itself to waiting, without initiating any suggestions for investment.

Mining legislation and model agreements would permit a transition from individual juridical limitations on the activity of one or another Western firm to a system of flexible legislative regulation. This would make it possible to conduct negotiations not on the entire range of questions covered by the agreement, but only on legally permissible deviations from the specific parameters of model agreements. Long before a competition is announced, potential investors could, at least approximately, calculate the economic indices of the proposal. Financially constrained applicants would drop out at earlier stages, and the length of negotiations could be greatly cut down.

Jurisdiction over the participants in negotiations should also change: When Moscow renounces control of the fuel and energy sector, there will no longer be any need for the central ministries to serve as an intermediary between a republic and the foreign firm.

Only after a reorganization of legislation regulating the activities of foreign capital in the production of raw materials for energy will the Soviet market become truly attractive to the West.

Arguments for Joint Railway Network 'Obvious'

LD1910040291 Moscow TASS in English 2119 GMT 18 Oct 91

[By TASS correspondent Anatoliy Dragan]

[Text] Moscow October 18 TASS—The joint network of railways should be preserved despite existing differences, believes Vitaliy Yefimov, the Russian Federation's minister of transport.

He told TASS that meetings of transport ministers of sovereign states were held in Moscow, Tbilisi, and another such meeting is planned in Alma-Ata. He said that arguments in favour of a joint railway network are obvious. European states have recently agreed to link their transport systems, just as the Ministry of Railways, but at a higher technological level. "It would be unreasonable for us to move backwards, into the 19th century, when cargoes were reloaded at frontier railway stations", he said.

Some republics hold on to rolling stock, refusing to turn it over to neighbours, which results in a shortage of railway cars in many places. "So we agreed at the latest meeting that the rolling stock should be common. Europe follows our example in this".

There are two approaches to the problem. The first variant to which most republics adhere is for the Ministry of Railways to preserve its functions. There can be an alternative: Russia can set up a department of railways, and those who wish so may conclude an agreement with it. There should be no reloading of cargoes at frontier stations. "We shall simply charge one another for locomotives and for railway cars, probably in hard currency, at international rates. This will depend on an agreement reached", he said.

Military

Troops To Be Reduced by 700,000

LD2110160191 Moscow TASS in English 1536 GMT 21 Oct 91

[By TASS correspondent Andrey Naryshkin]

[Text] Moscow October 21 TASS—Allegations to the effect that the Soviet Union will reduce the number of its troops by three times bringing it to 1.5 million persons are not true to life. The newspapers disseminating such data use unreliable sources, according to a TASS interview with the Defence Ministry press centre head Major General Gennadiy Kashuba.

A total reduction by 700 thousand is envisaged for the coming few years. Any further reduction is possible only within the talks on the process of disarmament on reciprocal basis taking the effective necessary defence principle into consideration, stressed Kashuba.

Shaposhnikov To Visit Germany 11-13 Nov

LD2110221191 Moscow TASS International Service in Russian 1313 GMT 21 Oct 91

[By TASS correspondent Lev Volnukhin]

[Text] Bonn, 21 October (TASS)—At the invitation of Gerhard Stoltenberg, German minister of defense, Yevgeniy Shaposhnikov, USSR minister of defense and marshal of aviation, will pay an official visit to Germany between 11 and 13 November this year. This was announced in a statement issued here today by the German Defense Ministry's press service.

The statement notes that the Soviet minister's schedule provides for the holding of political talks in Bonn and also for a joint visit of the heads of the military departments of both countries to the units of the Western Group of Forces deployed in the eastern federal territories of the FRG.

Shaposhnikov Message on Battle Anniversary

92UM0032A Moscow KRASNAYA ZVEZDA in Russian 16 Oct 91 First Edition p 1

[Message from Marshal of Aviation Ye. Shaposhnikov, USSR minister of defense: "To Participants in the Battle for Moscow in the Years of the Great Patriotic War and Soldiers and Veterans of the USSR Armed Forces"; date of message not given]

[Text] Dear Comrades, Combat Friends!

Five decades separate us from the harsh fall of '41, when one of the most brutal and strenuous battles of the Great Patriotic and Second World Wars unfolded in the environs of Moscow.

The entire country took part in this battle, which was decisive for the fate of our fatherland. At the Moscow lines Soviet people—soldiers and workers—passed with honor the test of strength which was imposed on them by the aggressor. Their courage, steadfastness, and heroism, and their selfless devotion to the cause of their single multinational motherland were displayed here in all their greatness.

In stubborn defensive fighting the Red Army bled the main assault grouping of the German-fascist Army white and then, in the course of the offensive operation, inflicted on it a heavy defeat, burying Hitler's plan for a Blitzkrieg. It was here, at the walls of our capital, in the winter of '41 that the irreversible retreat of the hordes of the aggressor, which in the spring of '45 culminated in the complete and unconditional surrender of fascist Germany and in our great victory, was initiated.

The smashing of the German-fascist aggressors at Moscow dispelled the myth of the invincibility of the Wehrmacht, inspired Soviet people to new martial and labor exploits, and contributed to a strengthening of the anti-Hitler coalition and an upsurge in the liberation movement of the peoples of Europe and the world against fascism.

Soviet people feel profound respect for and cordial gratitude to the veterans of war and labor who participated in the battle for Moscow, honor those who half a century ago fought to the last ditch at the walls of the capital and bow their heads before the memory of the fallen. Deepest reverence to all veterans of war and labor and the Armed Forces for their selflessness, disinterest, and devotion, and for their active participation in the upbringing of the youth and its preparation for the irreproachable performance of its military duty.

Men of the Armed Forces! Bear aloft the honor and dignity of successors of the combat glory of your fathers and grandfathers, enhance combat readiness and military skills, perseveringly master the arms and military equipment entrusted to you, and strengthen the cohesion of your ranks, combat friendship, and comradeship and conscious discipline.

I express confidence that today's fighting men will continue and multiply the heroic traditions of the Great Patriotic War and that the exploit of Moscow's defenders will continue to serve for the personnel of the Army and Navy as an example of loyalty to the military oath and military duty and one's people and motherland.

[signed] Marshal of Aviation Ye. Shaposhnikov,
USSR minister of defense

Kobets: Doctrine for 'Prevention of War'

PM2110151991 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 2

[Interview with Army General K. Kobets, chairman of the USSR State Council committee to prepare and implement military reform, by V. Vernikov in Madrid; date not given: "In the Wake of Economic Agreement, a Military Alliance?"]

[Text] The first specific steps have been taken in cooperation in carrying out conversion between the Soviet Defense Ministry and enterprises in our military-industrial complex and Western partners.

That is what I was told by Army General K. Kobets, who, as chairman of the USSR State Council committee to prepare and implement military reform, is heading the first small—but I would note competent—official delegation visiting Spain.

[Kobets] Business people from the recently created International Trade Center in Cantabria have offered us an interesting package of contracts via their SINCAN company. Since the failure of the putsch we have enjoyed favorable conditions for implementing rapid reforms in the economic and political spheres, including the military sphere.

[Vernikov] What kind of contacts are these?

[Kobets] At the moment we have opted for five programs aimed at resolving economic and social aspects of conversion: the construction of housing and highways, the harvesting, processing, storage and transportation of agricultural produce, and the fitting of army trucks with refrigeration compartments, and also for those that would help Russia to create highly profitable individual farms.

I am sure that the conversion of Soviet military industry can be implemented without major losses and social upheavals. The potential of our military-industrial complex is huge, and, given a sensible approach, we have the means of settling accounts with Western partners regarding cooperation and new technologies. Especially as all the independent republics agree to take part in this work.

[Vernikov] Konstantin Ivanovich, the military reform that you are dealing with cannot fail to be based on the new military doctrine. Is this already being surveyed in general outline?

[Kobets] Of course. And you cannot approach any reform without careful analysis of the foreign policy and military situation in the world. This is actually the primary, main direction for us in preparing and implementing the military reform. A considerable time has passed since the adoption of the existing defensive doctrine, and the world military-political situation has changed substantially. So our military doctrine must change—I think it will be aimed at preventing wars on any scale. That is what I would provisionally call it: a doctrine for the prevention of wars.

[Vernikov] The question of our borders inevitably arises today. Where should the West regard them as being?

Where they were before the proclamation of the independence of the Baltic states and the Ukraine, or have they now moved closer to Russia?

[Kobets] The question of borders is natural. But it is certainly tricky. The principle of the collective security of the Union and Europe predetermines unity of action within a unified military-strategic space at least on our territory. And if this is so, then that space naturally covers the Soviet Union's existing borders. And in the long debates that we had with them, the representatives of the sovereign republics did not express a wish to withdraw from the collective security system within the confines of this space.

But I am sure that some time we will run up against the need to prepare and conclude an interrepublican treaty in the defense sphere. This will clearly be based both on political treaties and on military-political treaties. In order to demarcate for each side the bounds of its powers in the defense sphere. Then everything will fall into place.

Abolition of Army Political Bodies Described

LD2110123191

[Editorial Report] Moscow Radio Rossii Network in Russian at 1540 GMT on 20 October carries a five-minute report on a news conference hosted by the leadership of the Defense Ministry commission on "abolition of the military-political bodies". The date and venue of the news conference are not given.

The work of the commission and its first steps are described by commission chairman Colonel General Dmitriy Volkogonov and his deputy, Colonel Vladimir Lapatin. Volkogonov says the bodies have existed for decades; they employ about 80,000 political workers and run schools, courses, museums, and so on. Most of the senior personnel will be dismissed. The commission must complete its task by 1 December. It can express lack of confidence in any officer. Top political workers are being hastily moved about, he adds, noting that one has gone to work for KRASNAYA ZVEZDA. In the past month, more than 20 of these men have been moved. Volkogonov adds that this is a nuisance for the commission, which has to look into this, cancel such orders, and restore the status quo until it can tackle the specific issues.

The announcer says that Volkogonov stressed that special attention is being given to graduates of the political military schools and young officers. Volkogonov says these schools have just over 20 thousand cadets, who are being asked what they want to do. Those who so wish can be placed on the reserve list. Another option is to retrain as something else. Others can occupy their own niche in the new structures, as psychologists, sociologists, and so on. Some will be trained as specialists in moral and psychological training. Certain categories will stay put with a view to taking part in various training schemes. Every man who would like to devote himself to continuing to serve the homeland, but outside the ideological framework, will be able either to become a commander or to return to civilian life as a specialist psychologist or sociologist, Volkogonov concludes.

No further processing planned.

Baltic Affairs

Baltic States May Obtain NATO Membership

OW2110195291 Moscow BALTFAX in English 1435 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Ulo Nugis, head of the Estonian delegation to the 37th session of the North Atlantic [Treaty] Assembly [NATO], has told the ETA news agency that the Baltic states may become members of NATO.

The assembly session is taking place in Madrid. The three Baltic republic's representatives are attending it as observers.

Estonia

Finance Ministry Prepares Draft Budget

OW2110224591 Moscow BALTFAX in English 1655 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] On October 22 the Estonian Finance Ministry plans to submit to the government a draft state budget for the first half of 1992.

Aga Lellep, head of the Ministry's state budget section, told BF [BALTFAX] that the draft state budget had been prepared only for half of the year because of high inflation rate—an estimated 30% in the first half of next year.

The draft state budget does not envisage subsidies for food.

Although on October 15 the Estonian parliament adopted new income tax from individuals to come into effect on January 1, 1992, budget experts put forward another proposal. The parliament's decision was to impose a 16% and more tax on income exceeding 301 rubles a month while the draft state budget proposes a 16% tax on income exceeding 900 rubles a month.

By November 1 after coordination with the government the draft state budget is to be submitted to the parliament.

Council Continues Citizenship Bill Discussions

LD2110164291 Moscow TASS in English 1214 GMT 21 Oct 91

[By correspondent Albert Maloveryan]

[Text] Tallinn October 21 TASS—The discussion of a citizenship bill is continued at an Estonian parliament regular session that opened here today. Actually, the matter concerns not so much a new law as a mechanism for the reactivation of the Estonian republic's citizenship law, adopted as far back in 1938, in present-day conditions.

The fundamentalists seek to pilot a version that would keep intact the majority of the provisions of that law. They believe that the present-day parliament is not competent to introduce any changes to the law because the parliament has been elected by residents of the Estonian SSR, not by citizens of the Estonian Republic.

However, to take into consideration the changes of the past 50 years is to envisage a painless assumption of citizenship by those who settled in Estonia in Soviet times. There are almost 40 per cent of such people in the present-day republic. These are mainly members of the Russian-speaking community. They live in Estonia's north-east and, in the event of a mechanical restoration of the 1938 citizenship law, non-citizens in the region may constitute a majority.

Early Elections for Local Councils Held

LD2110181391 Moscow TASS in English 1309 GMT 21 Oct 91

[By correspondent Albert Maloveryan]

[Text] Tallinn October 21 TASS—Early elections to the city councils of the industrial centers of Narva, Sillamyae and Kohtla Jarve were held on October 20 in Estonia.

The decision to form the new bodies was taken by the Estonian parliament as part of a framework of measures to eliminate the consequences of the Moscow coup attempt in August. The former councils of the above mentioned cities were accused not only of supporting the coup but of refusing to recognise the supremacy of Estonian laws over Soviet ones.

A criminal investigation into the activities of the Kohtla Jarve city council chairman Aleksandr Tsvinev and the local Communist Party committee head Gennadiy Smirnov has begun. They have been stripped of their deputies' immunity by parliament.

Poll: Few Communists Want Party Dissolution

OW2110195691 Moscow BALTFAX in English 1435 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Enn-Arno Sillari, leader of the Estonian Communist Party [ECP], told the Central Committee plenum on Friday [18 October] that no more than 14% of Communists favored their party's dissolution.

The plenum decided that the ECP would hold a conference in December to discuss amendments to the party rules and program.

Latvia

Belgian Minister Initially Not Allowed To Land

LD2210104891 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 22 Oct 91

[Text] Belgian Foreign Minister Mark Eyskens is to arrive this evening in Vilnius. He is coming to Vilnius after his first official visit to Latvia. By the way, in that neighboring state Mark Eyskens had an unpleasant experience. The Belgian plane carrying the minister succeeded only on the second attempt to land at Riga airport because the Baltic Military District did not give permission.

On this occasion the Latvian Foreign Ministry lodged the first official protest with the USSR Foreign Ministry. This is the first protest since the restoration of diplomatic relations between the two countries.

Foreign Minister Holds Meeting, Departs

LD2210005791 Riga Radio Riga Network in Latvian 1830 GMT 21 Oct 91

[Text] Belgian Foreign Minister Mark Eyskens met Supreme Council Chairman Anatolijs Gorbunovs today. Before leaving from Riga airport, the foreign minister held a news conference.

Gasoline Supply 'Crisis' Develops

LD2010221191 Riga Radio Riga International in Latvian 0530 GMT 19 Oct 91

[Text] A crisis has developed in gasoline supplies to Latvia. Sales of state petrol to private persons has already been discontinued and an economy regime is being introduced. At present the republic lives only on previously accumulated reserves, as in September and October only a small part of the quantity planned for in intergovernmental agreements has been received. Information has come from Russia on instructions not to conclude agreements with the Baltics and not to supply oil products; in fact, a situation of a silent blockade has set in.

Apart from that it must be taken into account that also in the former USSR territory, oil products may run out in the nearest time. The situation is also complicated by the problems of railways. The Latvian railway refuses to send its wagons to Russia, because there is a real possibility that they would not return to Latvia. The government has proposed to gradually orientate toward the Western oil market.

At present gasoline is being offered by Finland for 2-3 Finnish marks per liter. This is very expensive for the national economy of Latvia, and as it is possible that other western firms may offer their services, it has been decided to organize a competition for entry into the oil product market of Latvia.

Russia To Cut Oil, Gasoline

LD2010222491 Riga Radio Riga International in Latvian 0530 GMT 19 Oct 91

[Text] A reduction in the yield of oil products in Russia by 1 million tons each month—such a sign of a crisis was mentioned by Latvian Deputy Economics Minister Andris Gutmanis after returning from Moscow, where talks between representatives of the Latvian Government and the leadership of the Russian Ministry of Economics were held. In the fourth quarter of this year Russia will supply Latvia with only 70% of the quantity of last year's gasoline and 93% of coal and gas. Also the possibility that Russia may soon establish a customs border with the Baltic Republics cannot be excluded.

In the opinion of Andris Gutmanis, the conclusion of an economic agreement with Russia may not take place until the middle of November. But the extent of the agreement and the range of goods is still not clear, because the prices at which Russia will sell us raw materials and goods are not known. Moreover, Russia first wants to conclude agreements with the larger republics, and only after that with the Baltics.

Customs Head on Accord With USSR

OW2210141091 Moscow BALTFAX in English 1145 GMT 22 Oct 91

[Transmitted via KYODO]

[Text] The Director of Latvia's Customs Department, Aivars Salins, has granted an interview to BF [BALTFAX] in which he said that the agreement between the customs services of Latvia and the USSR on transit cargo transportation had come into force on October 20. In accordance with it, certificates issued by the Latvian Customs Department will be valid for any customs post in the Soviet Union. Salins pointed out, however, that the agreement only covered cargoes arriving in the republic across its western border.

"Customs regulations for the eastern border of Latvia will be worked out in the course of negotiations between the two governments," he said.

Mr. Salins also dwelled on what was being done to strengthen the customs posts operating on the Latvian-Russian order. The officers working there, he said, had all they needed. Before winter, warehouses were to be built at eight out of the 12 customs posts on the eastern border.

To prevent the smuggling of goods from Latvia on motor roads having no customs posts, ditches would be dug which would, according to Mr. Salins, stop all traffic on them.

Council Adopts Citizenship Resolution 17 Oct

LD2010202191 Riga Radio Riga Network in Latvian 0530 GMT 17 Oct 91

[Text] The Supreme Council of the Republic of Latvia has taken the first step in settling the citizenship question. With 92 votes for, 30 against, and seven abstentions, a resolution was adopted on the basic requirements for restoring the rights of citizens of the Republic of Latvia and naturalization. This resolution states that the totality of citizens of Latvia consists of persons who had citizenship of the republic of Latvia up to 17 June 1940 and the descendants of these persons who with the coming into force of this resolution are living at liberty and are registered in the Republic of Latvia, as well as those former citizens of the Republic of Latvia who emigrated abroad and are now citizens of those states, providing of course that (?as) expatriates in their countries they are permitted to renounce the citizenship of them. As for naturalization, that will begin no sooner than 1 July 1992, in accordance with the Law on Citizenship of the Republic of Latvia, the first reading of which began today in the Supreme Council and will hopefully be adopted by the end of this year.

Economic Accord Discussed With Tajikistan

OW2210005891 Moscow BALTFAX in English 1945 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] A delegation from Tajikistan arrived in Riga August [month as received] 21 to discuss along with the Latvian Material Resources Ministry specialists the possibility of signing an intergovernmental economic agreement between Latvia and Tajikistan.

As BF [BALTFAX] learned at the Latvian Material Resources Ministry, a preliminary list of goods for exchange between the republics has already been compiled. According to that list, Latvia will supply to Tajikistan varnishes, dyes, pipes, electric engines, microchips, telephone exchange equipment, electric tools, RAF minibuses, agricultural equipment, paper, knitted wear, rubber footwear, canned milk and fish, radio equipment, mopeds and children's bikes.

Latvia will receive from Tajikistan aluminum, equipment for chemical and oil-processing plants, metalworking machine tools, automobile spare parts, agricultural equipment, silk and cotton fabrics, fruits, vegetables and wine.

Lithuania

Azubalis Denies Plan To Share USSR's Debt

OW2110194791 Moscow BALTFAX in English 1435 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Lithuania's parliamentary press spokesman Audrius Azubalis has refuted reports by the Lithanian news agency ELTA that Lithuania intends to take on a share of the Soviet Union's foreign debt.

Quoting foreign-based news agencies, ELTA reported last week that during his Tokyo meeting with the Japanese Foreign Minister Taro Nakayama Lithuania's Premier Gediminas Vagnorius had even said Lithuania was already paying some of the USSR's debts to foreign nations.

Request Made for Troop Withdrawal To Begin

LD2010163791 Vilnius Radio Vilnius Network in Lithuanian 1500 GMT 18 Oct 91

[Text] Lithuanian Deputy Prime Minister Zigmas Vaisvila has sent a telegram to USSR Internal Affairs MInister Viktor Barannikov. It says:

The Government of the Republic of Lithuania urgently asks you to confirm the preliminarily coordinated paragraphs on the withdrawal of troops of the USSR Ministry of Internal Affairs deployed on Lithuaniuan territory, and to start without delay their real withdrawal in accordance with these paragraphs.

While the solution of these problems is delayed, soldiers of the aforementioned units are taking absence without leave, explaining that they do not wish to serve in the army occupying the independent Lithuanian state.

In confirming this, we inform you that, according to information available to us, during the night of 11-12 October, 21 soldiers left 7574 Unit, the majority of them called up from St. Petersburg. The leadership of this unit has so far not informed the leadership of the Republic of Lithuania about this.

Official on Former Communist Leaders' Status

OW2210140391 Moscow BALTFAX in English 1145 GMT 22 Oct 91

[Transmitted via KYODO]

[Text] In an interview given to a correspondent of the LIETUVOS RYTAS newspaper, the deputy public prosecutor of Lithuania, G. Norkunas, said that it would be a difficult job to arrest the former leaders of the Lithuanian Communist Party, M. Burokevicius, A. Naudziunas, J. Jermalavicius, and others, since in accordance with a new draft agreement between Lithuania and the USSR, a person seeking political asylum in either of the states could not be extradited to the other.

According to Mr. Norkunas, the Public Prosecutor's Office was aware of the present whereabouts of A. Naudziunas, a former secretary of the Communist Party of Lithuania, but "this is a territory guarded by soldiers," he emphasised.

"It seems Burokevicius and Jermalavicius are in Moscow, but they are constantly changing their places of residence," Mr. Norkunas said.

Mr. Norkunas added that the public prosecutor of Lithuania, A. Paulauskas, had recently had two letters from Mikolas Burokevicius, the former first secretary of the Communist Party, in one of which he reminded the prosecutor that he was a citizen of the USSR and in the other demanded that the Lithuanian authorities register the Communist Party.

The Lithuanian Communist Party was banned by the republic's parliament following the August putsch.

Landsbergis Interviewed on Polish Relations

LD2010155691 Warsaw PAP in English 1931 GMT 18 Oct 91

[Text] Vilnius, Oct 18—Lithuanian President Vytautas Landsbergis said in an interview for PAP here Friday [18 October] that a joint declaration between Poland and Lithuania had been nearly agreed upon. He said there was a certain impasse in the talks, but he stressed it was not caused by the Lithuanian side. "But now, when the consular and diplomatic ties are already established, there should not be any surprises in relations between our two states, even despite attempts by some Polish papers," he opined.

Asked about relations between Lithuanians and Poles in Lithuania, Vytautas Landsbergis replied there were also problems of Lithuanians in Poland. But he stressed he did not think there was any special Lithuanian-Polish tension. However, he said there was a certain political problem, namely, susceptibility of sorts of the Polish community in Lithuania.

The Lithuanian president said the authorities were trying to prevent anti-Polish steps and added there were no accusations against Poles as a whole community.

While speaking about Lithuania's international position, Vytautas Landsbergis stressed Lithuania was joining the international community with an intention to play an active role in it and not to be a passive observer.

The Lithuanian president said the recognition of Lithuania's independence and the establishment of diplomatic relations with the Soviet Union solved political problems. But complex economic problems resulting from many-year long ties with the Soviet economy remained, he added.

Asked about Soviet troops in Vilnius, Vytautas Landsbergis said their today's presence [as received] had the same meaning as that in 1940. He stressed these were foreign troops stationed in Lithuania without the consent of the legal Lithuanian authorities.

Landsbergis' 10 Oct News Conference Reported

PM2110102991 Vilnius EKHO LITVY in Russian 11 Oct 91 p 1

["News Conference Notes" by M. Grazhkalnis: "We Are Awaiting Specific Steps"]

[Text] [Lithuanian Supreme Soviet Chairman Vytautas Landsbergis held a news conference yesterday at the republic parliament, devoted to the results of his visit to Britain. We already know from news reports that one of the main problems discussed was how to withdraw Soviet troops from Lithuanian territory as fast as possible. It is, therefore, no surprise that journalists were most interested in the prevailing situation regarding this problem.

Because V. Landsbergis had a meeting with Russian Vice President A. Rutskoy in Moscow on his return home, EKHO LITVY's correspondent asked, in particular, whether they discussed the ultimatums issued to servicemen of certain units stationed in Lithuania. We discussed how the prevailing situation would be explored, as well as social and domestic problems of concern to the military. We quite understand this and do not want people to be intimidated at all, nevertheless, we do want to find solutions that do not drag on for years.

Commenting on the USSR's references to economic difficulties that supposedly make it impossible for it to withdraw the troops most speedily, the Supreme Council chairman agreed that there are and there will be financial difficulties here, but at the same time Lithuania would very much like to see the Soviet Union displaying goodwill and taking specific steps to resolve this matter. Since only the difficulties are mentioned sometimes and nothing is being done, you may get the impression, V. Landsbergis commented, that the military leadership in the USSR simply wants to gain time for some unknown reason. And it may be very dangerous, not to mention illegal, for the Army to stay here in the event of any trouble, disturbances, or a putsch in the USSR.

The mass media carried a report that the USSR may offer the Baltic states some compensation for the time that the troops stay there until their final departure in 1994. Journalists asked about V. Landsbergis' opinion on this. He said that he had not yet received this offer, but he voiced the certainty that neither Lithuania's residents nor the parliament would agree to it.

V. Landsbergis reminded journalists that two years ago 1.6 million of Lithuania's residents signed a petition calling for the withdrawal of Soviet troops, in other words this is not only something that the republic's incumbent leadership is demanding. From the viewpoint of international law, it is inadmissible for another country's army to enter any country and remain there as long as it likes.

I want to stress once again, V. Landsbergis said in conclusion, that we are aware of the difficulties facing the USSR. If we saw USSR or Russian military experts in Lithuania studying the situation with our officials and the troop withdrawal had even begun, we would have more faith in the sincerity of the arguments.

Supreme Soviet

Text of Yeltsin Message on Elections Published

PM2110125391 Moscow ROSSIYSKAYA GAZETA in Russian 19 Oct 91 p 1

[President Boris Yeltsin "Address to the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet Regarding the RSFSR Law 'On the Election of Heads of Administration'"]

[Text] The political and social consequences of the law "On the Election of Heads of Administration" are so negative at this very difficult time for the country that they force me to appeal to the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet and every RSFSR people's deputy.

The lack of governability existing from top to bottom throughout the state is one of the basic obstacles to Russia's extricating itself from crisis. Only the creation of an effective system of management will enable us to implement economic and political reforms successfully. Otherwise what lies in store for the republic is chaos, a headlong decline of the population's standard of living, and consequently a social explosion comparable in terms of danger to the events of 19-21 August 1991.

An analysis of the political situation at the local level shows that, regardless of the political results of the elections, acute confrontation between the newly elected heads of administration and the previously elected soviets and between various levels of state management in the RSFSR is inevitable, which will aggravate the crisis still further and lead to a complete paralysis of power in the republic.

The election of heads of administration will take two to three months, during which the political activity of all social forces will be geared solely to winning the election campaign. All other problems will be sidelined. The impossibility of ensuring that voters turn up to vote during the winter period will result in runoffs and extra delay in forming effective structures of executive power. The entry of new people into posts and the formation of the appropriate structures of power will also take quite a long time. Throughout this period executive power will be unable to operate. And this at a time of economic crisis, when it will be essential to tackle rapidly and effectively the questions of supplying the population with heat, electricity, food, and so on.

All this makes holding the election of heads of administration during the current year extremely dangerous.

It is also important to bear in mind that the holding of the elections of heads of administration will require the expenditure of substantial financial resources—between 300-600 million rubles. The main point is that such considerable expenditure will not in any way lead to the attainment of the goal for which it is allocated.

The scheduling of the election of heads of administration will damage the prestige of not just the RSFSR president, but the RSFSR Supreme Soviet, too. By its decision of 22 August 1991 the Russian parliament granted the president the right to appoint heads of administration, and the president has already exercised this power. Such a rapid change in the stance of the RSFSR Supreme Soviet creates vagueness and uncertainty about the immediate future in people's minds.

I, therefore, ask the RSFSR Supreme Soviet, on the basis of the aforementioned, to consider the following questions before 17 October:

the rescheduling of the elections to 1992;
the simultaneous holding of the election of soviets and the election of heads of administration for the new term of office;
the compliance of several provisions of this law with the existing RSFSR Constitution and RSFSR laws.

My comments regarding the compliance of certain provisions of the law with the RSFSR Constitution have been sent to the RSFSR Supreme Soviet Presidium.

[Signed] RSFSR President B.N. Yeltsin

Voronin on Yeltsin Meeting With Legislators

PM2110152191 Moscow ROSSIYSKAYA GAZETA in Russian 18 Oct 91 First Edition p 1

[TASS report: "Meeting of Russian Soviet Federated Socialist Republic President With Presidium Members"]

[Text] Yesterday a meeting took place between the Russian Soviet Federated Socialist Republic [RSFSR] president, members of the Russian Supreme Soviet Presidium, and leaders of Russian Supreme Soviet committees and commissions. After the meeting Yuriy Voronin, chairman of the Russian parliament's Budget, Plans, Taxes, and Prices Committee, informed the TASS correspondent that its main theme was the relations between the presidential structures and the Supreme Soviet.

"Boris Yeltsin has already issued a sizable number of decrees, many of which contradict existing laws," he said. "Therefore, it is necessary to establish a mechanism for submitting these decrees to the panels of experts in the presidential structures and on the legislative committees and commissions. The president has agreed to this formulation of the issue."

The sociopolitical situation in the Russian Federation was also discussed at the meeting. The crisis is intensifying, and a way out of it must be found, Yuriy Voronin noted. The president put forward in this connection a number of promising ideas involving the acceleration of economic reforms. The package of these proposals includes questions of pay, the liberalization of prices, and forming new credit and monetary relations.

The issue of the election of heads of administration was again raised. The RSFSR president reasserted his opinion that the election of administration heads should be postponed until 1992 and be combined with the local soviet elections.

"A stroke resulting in signs of loss of speech"—this was the diagnosis Yuriy Voronin gave to the condition of the Russian Government.

The names of the candidates for the post of prime minister were not given at the meeting with the RSFSR president. However, Boris Yeltsin did sound out the reactions of those who attended the meeting to the possibility of electing to this post not an economist but a professional in a specific sphere. Evidently, he was thinking of the candidacy of Svyatoslav Fedorov. Moreover, Yeltsin referred to the experience of Western countries, where the government is not always headed by economists. "I objected to the president that this is possible in the stable socioeconomic situation of the West," Yuriy Voronin noted, "but it would be hardly acceptable given the current conditions in Russia."

Federation Affairs

Yeltsin Ready To Impose State of Emergency

LD2210102791 Berlin Deutschlandsender Kultur Network in German 0900 GMT 22 Oct 91

[Text] In order to fight the economic crisis in Russia, President Yeltsin is prepared, according to his justice minister, to impose a state of emergency over the republic. The RIA News Agency quoted Minister Fedorov's comment that Yeltsin also believes that in the near future, in his words, a long overdue state of emergency on a strictly legal basis must be imposed.

In order to be master of the supply problems that are expected this winter, Russia needs a hard program. Under a state of emergency, the president would retain his authorities. He could take the economy under direct control and bring together the security forces to enforce their orders.

Yeltsin Decree Sets Centralized Supply Rules

PM2210081791 Moscow ROSSIYSKAYA GAZETA in Russian 19 Oct 91 First Edition p 2

[Text of "Decree No. 143 of the Russian Soviet Federated Socialist Republic President on Economic Ties and the Supply of Goods and Commodities in 1992" carried under the "Official Section" rubric]

[Text] To create the requisite conditions for the formation in 1992 of economic ties and the supply of goods for industrial and technical purposes and commodities (work and services) for enterprises, associations, and organizations located on Russian Soviet Federated Socialist Republic [RSFSR] territory, regardless of departmental affiliation or forms of ownership, I resolve:

1. To establish that economic ties on the supply of goods and commodities (work and services) be formed:

on a contract basis directly by suppliers and customers (consumers);
on centrally regulated goods for RSFSR state needs according to the procedure laid down by the RSFSR Council of Ministers.

Suppliers sell their goods and commodities (work and services) independently to customers on the basis of contracts concluded which provide for the mutual economic interest and accountability of the sides.

In concluding contracts to supply goods and commodities (work and services) suppliers are instructed to give priority to the interests of customers (consumers) who have existing economic ties (which have operated continuously over the preceding two or more years).

The compulsory maintenance of existing economic ties at the unilateral demand of the customer is revoked, save for the supply of goods and commodities to and the discharge of work (services) for consumers located in the Far North and comparable localities.

2. The RSFSR Council of Ministers is within one month:

to confirm the procedure for the centralized regulation of the supply of goods and commodities (work and services) for RSFSR state needs while providing for the introduction as of 1992 of a quota and licensing system for goods supplied to other republics;
to establish a pricing procedure for transactions involving the supply of goods and commodities (work and services) and to determine the system of economic regulators aimed at ensuring the supply of goods by enterprises which enjoy a dominant market position.

3. To establish that the use by the Councils of Ministers of RSFSR constituent republics and the organs of executive power of krays, oblasts, autonomous oblast, autonomous okrugs, and cities of Moscow and St. Petersburg of part of the output of enterprises for the needs of the territories in line with the decisions of the RSFSR president and the RSFSR Council of Ministers relates to the volume of the end product and does not apply to raw and semifinished materials, semimanufactures, or components used in enterprises' manufacturing divisions.

[Signed] RSFSR President B. Yeltsin
Moscow, the Kremlin
15 October 1991

Calls for Detailed Economic Program Ridiculed

PM2210124591 Moscow ROSSIYSKAYA GAZETA in Russian 19 Oct 91 p 1

[Commentary by Vladimir Kuznechevskiy: "Does Yeltsin Have a Reform Program?"]

[Text] The radical left-wing press has gotten onto its hobbyhorse and is fervently testing out the line of argument that the Russian president does not have an economic reform program. What is more, it is impossible for him to have such a program because he is a "populist" and "a man who conducts himself in a not entirely rational fashion and is basically incapable of being guided by programs."

To be frank, it is difficult to think of a greater compliment to a political leader than the aforementioned remarks. Reading these lines, the thought that occurs to any normal person is this: So what, did George Bush have an economic program when he was running for office? Or did a program appear later on? What about Reagan? Or F. Mitterrand? Despite terms like "Reaganomics" or "Thatcherism," which are recognized internationally, neither Reagan nor Thatcher had a specific program of specific economic reforms. There was a general idea, or a blueprint if you prefer, which in Margaret Thatcher's opinion, for example, was to ensure economic progress for British society. This general idea, or trend of development, was that English society should divest itself of superfluous socialization of state programs, and it contained the idea of moving toward some denationalization in the national economy. During the implementation of this general idea, certain specific economic measures arose which also embodied the general idea in material form. We observed something similar in France when F. Mitterrand became the president of the country.

All this, it would seem, is completely obvious. But our radical democrats are demanding something else from Yeltsin: By hook or by crook they want a specific economic program. Why such persistence? For long decades the Bolshevik system has accustomed us to the fact that a leader must have a specific plan of measures and must not only publicize it without fail but also commit himself to it. Then this program can both be forgotten and remain unaccomplished, but a politician in our country must give the mass media something to chew over—he is simply obliged to, because if he does not the journalists themselves (what a terrible thought!) will have to analyze the politician's specific and practical steps and draw conclusions. But the Bolshevik press is unaccustomed to this or, to be more precise, it has been weaned off it over long decades. It is accustomed not to analyzing but to providing commentary on what has already been chewed over and handed down from above. Well really, what a pitiful spectacle all this is....

Regarding Yeltsin's ideas about the direction in which Russia should develop, only a blind or a forgetful person cannot see or remember that, starting with the First Congress of USSR People's Deputies, the Russian Soviet Federated Socialist Republic [RSFSR] president has been the only major political figure in the country who has always put forward a clearly outlined plan of contemplated and proposed measures and steps, but in doing this he never forgets to emphasize that all this is only a guideline, since our stormy and rapidly changing reality does not allow us to formulate measured five-year plans.

In his 10 July inauguration speech on taking office as RSFSR president, Yeltsin stressed that the path of Russia's development he is proposing is a peaceful, lawful, and democratic method of transforming society, a path that it is impossible to follow by marching along in columns and blindly executing orders from above. At the Third Extraordinary Congress of RSFSR People's Deputies in March, Yeltsin once again not only named the measures that should be implemented on this path of transformations, but even their order of precedence. In the sphere of production, social policy, the budget, credit policy, and incomes. And after all, much of this is already being implemented. For example, the allocation of land to people, an increase in the minimum wage, work on regulating taxation, and so forth. In summing all this up, he issued a reminder: "The proposed measures are geared on the whole to making progress toward a market economy; they are designed to protect the population and the principal survival systems from the most destructive consequences of the crisis."

Within the space of a few months even God could not extricate from its crisis a society which has been developing toward a specific goal for 74 years. We cannot demand a miracle even from our president. He has neither manna from heaven nor seven loaves. And these will not appear as a result of our impatience. We all need to be more patient. We all operate within the same time frame, and within it everyone does his own bit.

Economy Said in 'Catastrophic State'

LD1810223191 Moscow Russian Television Network in Russian 1800 GMT 18 Oct 91

[From the "Vesti" newscast]

[Text] The USSR Supreme Soviet is preparing for its session, which opens at the beginning of next week. The main question will be the debate on the catastrophic state of the Soviet economy. Today there are numerous examples of this. INTERFAX reports that because of the increasing number of breakdowns in the power transmission network, half of the city of Khabarovsk finds itself without electricity for the second successive day. Power supplies to enterprises and factories have been cut. Prices of dairy produce were deregulated in Chita today. Meanwhile, in Maritime Kray, many private owners of cattle are having to throw milk away because of the incompetence of consumer cooperation employees. In the town of Irbit, Yekterinburg Oblast, all routine operations have been cancelled because there is no surgical thread.

Rutskoy Criticizes Idea of Siberian Republic

LD2110151491 Moscow TASS in English 1409 GMT 21 Oct 91

[By Viktor Yelmakov]

[Text] Novosibirsk October 21 TASS— The idea of creating a Siberian republic is "playing statehood" and an "infantile disorder," Russian Vice President Aleksandr Rutskoy said in an interview with the SIBIRSKAYA GAZETA newspaper, published today.

Rutskoy supported the region's desire to safeguard its economic interests, which resulted in forming the Siberian accord association a year ago, which unites 17 territories, regions and national territories.

Rutskoy's interview followed a meeting of local council heads, who favoured granting the rights of republics to regions and territories in the framework of the Russian Federation. Rutskoy believes that this is an attempt to implement in a different form some of the principles, on which the idea of creating a Siberian republic was based.

Unhappy with its semi-colonial status and used as the country's raw material source, Siberia has propelled "separatism." Russian President Boris Yeltsin's summer visit to Novosibirsk helped to ease tensions. Yeltsin supports economic programmes of the Siberian accord and has granted additional rights to the association, including the right to sell 25 per cent of raw materials at market prices, as of September 1.

But economic recession, broken economic ties and the Russian leadership's sluggishness have hampered the implementation of these decisions, extremely important for Siberia.

Silayev Interviewed on Rural Issues, Reforms

LD2110104991 Moscow Central Television First Program Network in Russian 1100 GMT 20 Oct 91

[Interview with Ivan Stepanovich Silayev, head of the USSR Committee for the Operational Management of the National Economy, by unidentified correspondent at Conference of the Russian Association of Peasant Farms and Agricultural Cooperatives on 11 October; place not given—recorded]

[Text] [Correspondent] It was you who said that only the farmers are capable of feeding Russia. What do you consider needs to be done now, immediately, so that farmers really will be in a position to feed Russia?

[Silayev] First and foremost, rather than keeping this as a background issue, we need to prioritize it. I have no doubt that this sort of categorical statement on my part will produce more or less the same reaction as when I referred to the experience of Stolypin and called for the countryside to be reformed along the principles of private property. But I think the principal task now is to create all the necessary conditions for the peasant. He must not be given pieces of wasteground. He must be given the best pieces of land. We must not create a situation in which they have to chase after tractors and consider themselves extremely lucky to get discarded and worn out collective farm tractors which have to be reconditioned. Everything for the peasants must be done on a priority basis—starting with laws to protect them and punish not simply those who obstruct them, but also those who fail to do anything to enable them to develop normally, and ending with general back-up for them. And that should include foreign exchange and imported equipment.

I am profoundly convinced that only this completely different approach and new laws will enable the peasants to stand on their own two feet. The main thing has been achieved. We have proved to ourselves that the peasant spirit is alive and well, that the peasants are drawn to the land and that this has not been destroyed by the cruel years of collectivization. Now all necessary economic, juridical and other conditions have to be created on a priority basis.

[Correspondent] You have been able to see for yourself that the movement as such as has gotten under way. What general assessment can you make of the several months over which we have not seen you? What has been happening over this time?

[Silayev] You may remember that we set excessively modest targets. We used to say that we could do with 10,000 peasant holdings by the end of the year. Today there are 31,000. Not bad at all, it would seem. But we were evidently extremely backward in our assessment of the degree this would interest the peasants. We did not even dream of these figures. But from the standpoint of today it is an all too paltry amount.

[Correspondent] How many ought there to be?

[Silayev] We need townsfolk to see that produce from small farmers and peasants has reached the shelves in the shops and their tables. Today it is literally less than 1 percent. But the trouble does not lie with the peasants. The fact is that they continue to be hedged around by numerous procedures and contraventions of all kinds, and by the weakness of the laws. I hesitate to say how many peasant holdings there should be, lest it be interpreted as a target of some kind. That would not be proper. As far as Russia is concerned—that is where the basic volume is—I think there should be many hundreds of thousands of them. And it seems to me that if they talk of 2-3 million farmers and farms in the United States, Russia should evidently have no fewer.

[Correpsondent] You have said that 1 billion rubles [R] is a paltry sum. What possibilities does the state have at its disposal to help the small farmer, and how?

[Silayev] I would not talk of possibilities. Possibilities are always limited, particularly from the economists' point of view. Funds simply have to be allocated for this small farmers' movement. Indeed, I would talk in terms of at least around R12-15 billion. Things are difficult at the moment. It may not be interpreted in a very objective fashion if I begin to speak on behalf of the Russian Council of Ministers. They have to do all the sums themselves. But when I was chairman of the Council of Ministers I planned large sums for this. Somewhere up to

R15 billion simply has to be invested in this movement so that by the end of next year it can become a reality in terms of output.

[Correspondent] Would the Russian farmer be able feed Russia without anybody else's help?

[Silayev] Without doubt. After all, in 1911, before the revolution, Russia did export wheat, you know. The Russian wheat was the yardstick for judging the quality of wheat grain in the world. It used to set up the criterion of quality in world markets. At that time Russia used to sell and export three times, or rather twice as much as the United States, Canada, and Argentina put together. Opponents may now argue how badly the farmers used to live then. True, the life of farmers was poor then. Now the farmer lives considerably better. That is natural. But compared with the way farming peasants live in the West, we have left our farmers to struggle as before under the hardest conditions and in the most difficult situation. Therefore, I do not doubt that farmers will go to the foreign market with all sorts of crops, though not immediately. And our task there will be, I would say, to provide protection and support not to individual farmers, but to farmers unions and organizations, similar to the one which will send today 600,000 farmers [words indistinct]. They even have their own bank, you see.

[Correspondent] We toured Tula Oblast with them yesterday and the day before yesterday. You can now see their expressions. How would you assess what is to take place today and tomorrow?

[Silayev] I think that these processes can either be slower or faster. We need them to be faster. To stop the peasant in his stride altogether is now impossible. You know yourselves what happens when the peasant is angered or reduced to poverty. And Russian history has indeed shown how angry peasants can be. After all, all those mutinies and uprisings occurred not because of some sort of special policy. Hardship and despair are a very militant force. True, farmers of Russia, Russian farmers, can indeed endure a great deal. But only up to a point. Therefore, I think, the Association of Peasant Farms and Agricultural Cooperatives should work to gain strength. They now need to display more self-reliance and even more influence on state structures. They must actively exert influence. I think that the policy of the peasants party, which has been organized must also be aimed at this and contribute to this.

[Correspondent] The joint stock company of the peasant exchange is already becoming part of the infrastructure.

[Silayev] Yes, all the joint stock companies and exchanges are need. But this must be created not by someone else but by the farmers themselves. Any attempt to impose on them any structures which do not suit them is absolutely out of the question.

State Council Members Hold News Conference

LD2210012691 Moscow All-Union Radio First Program Radio-1 Network in Russian 1700 GMT 21 Oct 91

[Text] A meeting between members of the Russian Soviet Federated Socialist Republic [RSFSR] State Council and leaders of the mass media took place in the Russian White House today. Opening this first meeting of its kind, RSFSR Secretary of State Gennadiy Burbulis noted that the presidential structures of power in Russia would seek unconventional methods of dealing with the press. A detailed exchange of opinions took place on the current difficult sociopolitical situation in the country, the problems of the transition to a market, and the actions of the executive authorities in stabilizing the situation.

DPCR To Claim Share of CPSU Money

PM2110151191 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 1

[Report from IZVESTIYA, TASS, RIA, INFO-NOVA, REUTER column]

[Text] The problem of using the former CPSU's funds will be one of the main questions in the work of the Democratic Party of Communists of Russia [DPCR] Congress scheduled for 26-27 October.

"We claim our legal share of CPSU money," Vasiliy Lepitskiy, chairman of the DPCR Board, said. According to him, the DPCR proposes using this money in two areas: It proposes to use the bulk of it to implement social programs and the smaller part to develop a multiparty system.

'Autumn Days of Unity' Declared 21-26 Oct

Council Orders Talks on Demands

PM2110140791 Moscow PRAVDA in Russian 21 Oct 91 p 1

[Untitled PRAVDA-TASS column report]

[Text] The Russian Soviet Federated Socialist Republic Council of Ministers has taken into consideration all the Russian trade unions' demands on the threshold of the fall unity of action days 21-26 October. The Council of Ministers has instructed all ministries and departments and leaders of oblasts, krays, and republics to hold talks on the demands put forward by the trade unions and their inclusion in agreements and collective contracts.

Unions To Hold Meetings

LD2110163591 Moscow TASS in English 0749 GMT 21 Oct 91

[Text] Moscow October 21 TASS—A freeze on the law on the indexation of the population's incomes by the Russian parliament session will compel Russian trade unions to act more resolutely during the autumn days of unity declared by the Federation of the Independent Trade Unions of Russia from October 21 to 26.

Numerous meetings will take place in Russia's cities in support of trade unions' demands, a spokemsan at the federation's coordinating centre told TASS.

One of such meetings will take place in Moscow on October 23. Russia's White House will be picketed on October 24-25. The picketing will involve about 2,000 people who have come to the capital from nearby regions.

"People demand that democracy, which they defended near the White House in August, now defend their right to a life worthy of the human being. The rattle of empty cooking pans may prove more terrible than the rattling of tanks," the federation's president Igor Klochkov told TASS.

The outcome of the autumn trade unions' action will depend in many respects on whether the conciliatory commission, set up on October 18 by the government of Russia and the federation's council, will be able to find a solution acceptable to the two sides and go to a compromise.

Confederation Backs Demonstrations

LD2210011691 Moscow TASS in English 1845 GMT 22 Oct 91

[By Vladimir Yegorov]

[Text] Moscow October 21 TASS—The Soviet General Confederation of Trade Unions supported the holding of days of unity of actions by the Russian trade union centre between October 21 and 26.

"We welcome the activity of our member-organisations aimed to protect social and economic rights and interests of the working people," Chairman of the General Confederation of Trade Unions Vladimir Shcherbakov told TASS.

During the days of unity of actions, member-organisations of the Federation of Independent Russian Trade Unions will demand from the republican leadership a legislative change in wages and salaries' system, a clear mechanism of the privatization of state property and housing, which is not to infringe the interests of the working people, and the creation of insurance funds for labor collectives in case their enterprise will close down or go bankrupt.

The federation also insists on the publication of a convincing and clear governmental program to control the economy, at least, in the nearest six to seven months.

The initiative of Russian trade unions is not an exception. Belorussian trade unions have organised similar actions. The Federation of Independent Ukrainian Trade Unions has called for collective actions to defend the working people's rights and trade union freedoms.

Former Officers To Establish Voluntary Union

LD2110180391 Moscow TASS in English 1337 GMT 21 Oct 91

[By Sergey Ostanin]

[Text] Moscow October 21 TASS—Former Russian officers intend to set up a voluntary union to protect their social interests and support business activities, Major-General Fyodor Khalturin, head of the working group to set up the union, told TASS.

He said a special fund will be created to pay scholarships to military school students and provide material support for parents, widows, small and disabled children of its members.

The union is expected to be set up in November at a founding congress.

Local Affairs

Birobidzhan Workers Demand Higher Salaries

LD2110195791 Moscow TASS in English 1329 GMT 21 Oct 91

[By Viktor Gorelov]

[Text] Birobidzhan October 21 TASS—Librarians, physicians and medical workers took to the streets in Birobidzhan on Monday [21 October] to demand higher salaries and fair food distribution in the region.

The rally, organised by the regional trade union federation, was held under the banner "Market salaries for market prices."

New Buryat Supreme Soviet Leader Elected

LD2110195391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1700 GMT 21 Oct 91

[Text] A chairman for the republic's Supreme Soviet was elected at a session of the Buryat parliament. It should be stated that four candidates were put forward for this post which became vacant after the August putsch. The first round of voting did not determine the victor. But the further battle was continued on its results by the two candidates who received the greatest number of deputies' mandates. However, one of these withdrew. Thus one candidate was submitted on the ballot paper for the second secret ballot. He was Leonid Potapov, who was previously first secretary of the Buryat Republican Committee of the Russian Soviet Federated Socialist Republic Communist Party. Out of 154 people's deputies, 110 voted for Potapov.

Buryatia To Boost Foreign Economic Activity

LD2110195491 Moscow TASS in English 1029 GMT 21 Oct 91

[By Sergey Trofimov and Petr Tsyrendorzhiyev]

[Text] Ulan-Ude October 21 TASS—As the economic crisis deepens in Buryatia, a republic in southern Siberia, its authorities are seeking ways to boost the republic's foreign economic activities in the Asia-Pacific region.

Buryatia is currently doing business with South Korea, Japan and China in processing raw materials and manufacturing goods.

The South Korean firm Gino group has set up a joint venture in the republic to produce wooden houses, while Japanese partners are helping to develop the Tugnui coal field in the Baykal region to export coal.

The Japanese firms Marubeni, Tokyo Maruichi, Sumitomo and Nisso Iwai will help saturate the local market with consumer goods.

Vladimir Agalov, deputy republican prime minister, said about 286 firms and enterprises in Buryatia are engaged in foreign economic activities but the republic holds 10th place among Russia's 16 republics in terms of exports.

The republic plans to set up a ministry of foreign economic activities to ensure Buryatia's prompt integration into the world economy and boost its economic ties with Soviet republics.

Reportage Continues on Chechen-Ingush Situation

Ingush Want To Stay in Russia

PM2110150991 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 1

[Report from IZVESTIYA, TASS, RIA, INFO-NOVA, REUTER column]

[Text] "The Ingush population of Checheno-Ingushetia does not agree with the opinion that the republic must leave Russia," Magomet Mamilov, member of the Ingushetia National Council, said.

He pointed out that the Ingush are raising the question of reviving their statehood within Russia. "We cannot understand the positions held by the Chechen Executive Committee regarding Malgabekskiy and Sunzhenskiy Rayons of Checheno-Ingushetia where Chechen parliamentary polling places were opened. These two rayons are the legal territory of Ingushetia," Mamilov said.

Elders, Clergy Support Congress

LD2210014191 Moscow TASS International Service in Russian 1935 GMT 21 Oct 91

[By Sharip Asuyev]

[Text] Groznyy, 21 Oct (TASS)—Elders and representatives of the Muslim clergy in the Chechen republic have appealed to political parties, groups, and all inhabitants of the mountainous region to maintain self-control and restraint, and to address the problems that have arisen only by peaceful methods. Their meeting was held in Groznyy today.

Having discussed all aspects of the situation that has emerged in the republic, the meeting decided to elect a (?Mekhkkkhel)—a kind of national court that would assess the actions of bodies of power and individuals on the basis of shari'ah laws.

The elders and representatives of the Muslim clergy spoke in favor of supporting the democratically orientated actions of the Executive Committee of the National Congress of the Chechen People, and also spoke in favor of supporting the election of the republic's first president by the people.

Many people here are hoping that the warring groups will listen to the wise voice of the elders who have always been respected in the mountains.

Dudayev on Military Clash Prospects

PM2210100091 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Oct 91 p 3

[Interview with General Dzhokhar Musayevich Dudayev, leader of All-National Chechen Congress, by V. Tkachuk in Groznyy, under the general heading "Meanwhile, in Chechen-Ingushetia"; date not given: "General Dudayev's Opinion"]

[Text] Groznyy—[Tkachuk] Dzhokhar Musayevich, do you think there is anarchy in the republic?

[Dudayev] The All-National Chechen Congress Executive Committee did not want to take full power. But in this situation Russia is trying to hamper our desire for autonomy, seeking to revive a Supreme Soviet that the people hate.

Khasbulatov tried very hard in this respect. In order to support our fellow countryman's prestige, we made concessions. But we were wrong to do so.

[Tkachuk] All the same, in Chechen-Ingushetia now there is the Executive Committee, but there is also the provisional supreme council....

[Dudayev] There is no such thing.

[Tkachuk] Excuse me, but it is printing its decisions in the local newspapers.

[Dudayev] That way anyone—you, for instance—could declare their own power!

[Tkachuk] The mobilization of men aged from 15 to 55 to form a militia is causing concern, to put it mildy.

[Dudayev] I am aware of that. But in order to defend yourself against this hydra you need extreme measures. It does not mean we will send 15-year-olds to the slaughter, but they should train, and feel a sense of responsibility for the motherland's fate. These boys are the reserve. After all, our first echelon is rather weak; it will quickly be wiped out in a military clash.

[Tkachuk] General, do you seriously believe such a clash is a possibility?

[Dudayev] They have left me no chance. I do not only believe it, it is a reality.... We expect the gravest consequences from Russia.

[Tkachuk] Don't you think that the "national guard" also poses a danger? After all, the consequences of any chance shot being fired are unpredictable.

[Dudayev] Of course there is a danger. But freedom is a precious thing. There is no way back now.

[Tkachuk] How do you see the limits of Chechia's sovereignty?

[Dudayev] We must register our right to choose, we must prove we are not cattle. If Russia were to say: Take whatever sovereignty you want, then nobody would want to leave Russia. But the Russian Soviet Federated Socialist Republic Supreme Soviet's attitude is driving the peoples away from Russia. After the election of the republic president, the next stage is a referendum. And I am convinced that 80 or even 90 percent of people will say: "We are with Russia." But then it will be the people's will.

TV Reports on Seismic Activity

LD2110163991 Moscow TASS in English 0828 GMT 21 Oct 91

[By Sharip Asuyev]

[Text] Groznyy October 21 TASS—As the situation remains tense in South Ossetia, seismologists fear it may be aggravated by a powerful earthquake in the region in the near future.

Regional television recently warned the local population of a possible devastating earthquake in the region after Kyuri Mamatsuyev, director of the local seismic-forecasting station, said "I worry about the growing seismic activity in the region."

"We are registering continuous weak, so-called background tremors in the region, which are either releasing the tectonic pressure or warning of a powerful shock. In any case, we should be ready for possible consequences," Mamatsuyev said.

He said he decided to make his forecasts public after several unsuccessful appeals to his chiefs and governmental officials.

"I asked to send a group of experts from Moscow to confirm or dispel my doubts. But they refused, referring to the unstable social and political situation in the republic," Mamatsuyev said.

He blamed the Soviet Institute of Earth Physics, which denied the forecast as groundless, for irresponsibility for people's lives.

Chechen-Ingush television decided to carry weekly reports about the seismic situation in the region.

Kuzbass Medics Strike Over Work Conditions

LD2110163291 Moscow TASS International Service in Russian 0800 GMT 21 Oct 91

[By Grigoriy Shalakin]

[Text] Kemerovo, 21 Oct (TASS)—About 100,000 Kuzbass area medical workers halted work for two hours today. At the same time, ambulances occupied the main square in the oblast center, and pickets were placed outside medical institutions.

Health workers in this industrial region have resorted to such a form of protest due to the heartless attitude of all levels of the power structures toward the situation in the branch, where before one's very eyes hospitals and polyclinics have become dilapidated, and they are not provided with the basic drugs and preparations. The staff has pitiful wages, an unlimited working day, and meagre annual holidays.

Ambulance drivers were at their posts and were carrying out their duties during the strike.

Moscow Deputies Urge Return of Church Property

OW1810215691 Moscow INTERFAX in English 2028 GMT 18 Oct 91

[Transmitted via KYODO]

[Text] A group of Moscow Soviet's deputies proposed that Boris Yeltsin adopt a law returning the property which belonged to Russia's religious organizations before the October Revolution and which was subsequently nationalized to its owners. Member of the Moscow Soviet's Commission for Freedom of Conscience, Nikolay Lyzlov, said that thus the state could at least partially atone for the crimes committed against the church.

The Moscow Soviet deputies also demand that the Russian Orthodox Church should be allotted two hours a day on Russian radio and television.

N. Ossetia Parliament To View Joining South

OW1810191991 Moscow INTERFAX in English 1735 GMT 18 Oct 91

[Transmitted via KYODO]

[Text] On Tuesday, October 22, the Supreme Soviet of North Ossetia is to consider South Ossetia's request for being joined to North Ossetia. Speaking in parliament today, chairman of the North Ossetian Supreme Soviet, Akhsarbek Galazov, explained the delay by the fact that the question should be considered by the Commission for Ethnic Relations.

Meanwhile, chairman of South Ossetia's Christian-Democratic Party, Ruslan Bestayev, told IF [INTERFAX] that according to his sources, the North Ossetian leaders had already rejected South Ossetia's request.

He said that the discussion of the problem had been put off in view of the fact that at the moment North Ossetia was hosting an international conference which was attended by representatives of South Ossetia. To quote R. Bestayev, if the North Ossetian parliament refused to join South Ossetia to North Ossetia, they may start putting pressure on the deputies to make them change their decision.

Yeltsin Representative in Orel Holds Briefing

LD2210044891 Moscow Radio Rossii Network in Russian 0300 GMT 22 Oct 91

[Text] Valeriy Yevdokimov, the Russian president's representative in Orel, ended his first working day with a news conference for local journalists. He said he saw his main task as monitoring the fulfillment of Russian laws and decrees and the Russian president's instructions in the oblast. Replying to journalists' questions as to whether the Russian Soviet Federated Socialist Republic president's representative was not rather like the plenipotentiary officials of the party committees so denounced by the public, he assured them that was not the case. In his opinion, the present representative had been allocated more serious powers and would not interfere in the day-to-day administration of affairs. The journalists were surprised when Valeriy Yevdokimov announced that the president of Russia intended to appoint by decree the mayor of Orel as well as the head of administration in Orel Oblast.

Tatar Party To Struggle for Independence

OW2110222091 Moscow INTERFAX in English 1959 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] The leader of Tatarstan's National Independence Party "Ittifak" Fauzia Bairamova has said that if the republic's parliament does not proclaim full independence, it should be forced to so so. In her article "Being A Real Tatar...", published by a Kazan-based newspaper, Ms. Bairamova pointed out that the declaration of independence by the Supreme Soviet is "the last peaceful way." She warned that "we will struggle for independence to the end."

F. Bairamova raised the question of border revision by noting that "half of Russia's territory is ours," including the Ulyanovsk, Saratov, Samara, Astrakhan, and Orenburg regions as well as a sizeable part of Bashkiria.

Yeltsin Greets Soviet German Congress

LD1910133591 Moscow TASS International Service in Russian 1229 GMT 19 Oct 91

[Text] Moscow, 19 Oct. (TASS)—"The issue of restoring the independence of Soviet Germans is an integral part of Russia's political course. The basis for activity in this area is the Law on the Rehabilitation of Repressed Peoples that was adopted by the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet." This is stated in the greetings that Boris Yeltsin, Russia's president, sent today to the first congress of Soviet Germans that currently is being held in Moscow.

In Boris Yeltsin's view the restoration of the state independence of the Germans will require a number of stages and time. A first step might be a radical renewal of infrastructure, production and social and consumer conditions in a number of settlements of the region with the involvement of citizens of German nationality who have expressed a wish to move there for permanent residence. The following stage would be restoration of full statehood.

The statement also stresses that great interest in solving this problem is being shown by Germany, whose political and business circles are ready to provide Russia with substantial assistance. In turn, the Russian leadership will provide principled backing for the restoration of rayons and other national formations in places with a dense German population and for the preservation of their language and culture.

Democratic Party Supports German Autonomy

LD2210011191 Moscow TASS in English 1924 GMT 21 Oct 91

[Text] Moscow October 21 TASS—The Central Committee of the Constitutional Democratic Party believes that "the German people have the right to the restoration of its autonomy in the Volga region within the framework of the single multi-national Russian Federation."

"The settlement of the Germans in the Volga region should be done on free lands and should not infringe civil rights and property rights of the present population of the Volga region," says a resolution of the party's Central Committee plenary meeting held between October 5 and 6.

The document stressed that "all residents of any territory should enjoy equal rights and equal responsibility both before the federal and the local authorities, without any division into native and new-coming population."

The resolution was passed over today by the Central Committee to TASS in connection with "the completion of the Congress of Soviet Germans."

Media

Moscow's Luzhkov Threatens To Sue TV Company

PM2110151791 Moscow IZVESTIYA in Russian 21 Oct 91 Union Edition p 1

[Report from IZVESTIYA, TASS, RIA, INFO-NOVA, REUTER column]

[Text] "I insist on a public apology. If one is not forthcoming, I reserve the right to seek judicial protection of my honor and dignity," Moscow Vice Mayor Yuriy Luzhkov has demanded of Oleg Poltsov, chairman of the All-Russian Television and Radio Broadcasting Company. The demand is made because during the 15 October program "Without Retouching," in which Moscow's vice mayor took part, program presenter Aleksandr Radov said that "Luzhkov heads a highly corrupt government apparatus." Yet he did not cite a single fact to corroborate his statement.

International Affairs

St. Petersburg, Estonian Leaders Meet 21 Oct

LD2110195491 Moscow TASS in English 1712 GMT 21 Oct 91

[By Irina Zolotaryova]

[Text] St. Petersburg October 21 TASS—Estonian Prime Minister Edgar Savisaar today had an unofficial meeting with Anatoliy Sobchak, representative of the Soviet president, head of the Soviet delegation at the negotiations with Estonia, and mayor of St. Petersburg.

The meeting was held at a resort town of Narva-Joesuu, reports Mayor Press Secretary Aleksandr Baranov.

The sides considered procedure issues of the upcoming negotiations.

Brzezinski, Austrian Leaders Visit Kaliningrad

LD2110193391 Moscow TASS in English 1025 GMT 21 Oct 91

[By Valeriy Biryukov]

[Text] Kaliningrad October 21 TASS—Kaliningrad region as the westernmost area of the Russian Federation is simply destined to be in the lead in the transformation of Russia, Zbigniew Brzezinski, a prominent U.S. political scientist and former assistant to the U.S. President on national security affairs, told TASS.

He arrived here on Sunday [20 October] together with Franz Jurkowitsch and Nenad Brasowitsch, leaders of the Austrian financial investment firm Warimpex, which has a joint venture with the local firm "Service" in the maritime resort town of Svetlogorsk.

"This is a get-acquainted trip," Brzezinski emphasised. "I would like to get more detailed information on a free economic zone being established here and find out to what extent it is open to Western investments.

"Revolutionary changes taking place in Russia reopen a window, which was closed in 1917, on Europe and the rest of the world for this largest republic of the Soviet Union.

"However, economic innovations stand more chances for success if they are implemented not in the centralised manner but in a differentiated way—through the development of individual regions.

"Western financial and economic aid should be supplied to them directly, not via Moscow. In my view, Kaliningrad region is one of the most promising territories for large-scale Western cooperation.

"Kaliningrad, just like St. Petersburg, may become a member of the European Free Trade Association and pave the way there for the whole of Russia," Brzezinski said.

The U.S. guest and his Austrian friends were received by the head of the local administraiton and the leadership of the Committee for the Development of the Free Economic Zone Yantar. Prospects for Western investments in the establishment of a foreign travel industry here, and in the construction of hotels, offices and supermarkets were discussed during the talks.

The discussion of these matters is due to be continued in Svetlogorsk on Monday [21 October].

Sakhalin Governor Comments on Kurils Dispute

PM2110123191 Moscow PRAVDA in Russian 19 Oct 91 pp 1, 2

[Interview with Professor V.P. Fedorov, governor of Sakhalin, by N. Bratchikov, datelined Sakhalin Oblast; place and date not given: "Russia Has No Spare Land, Sakhalin's Governor V.P. Fedorov Said"]

[Text] [Bratchikov] Valentin Petrovich, I am one of the journalists who interviewed you on the first day of your governorate. I now want to clarify your position on a problem that, following the Japanese foreign minister's visit, has had the residents of our furthest-flung islands bristling—the problem of the future of the south Kurils.

[Fedorov] As for the crux of the matter of the south Kurils, the "second Kuril wave" rolled up far earlier. I personally link it with the putsch by the State Committee for the State of Emergency. Prior to that, Russian politicians could always point at the center, blame it for all ills, and say: We are adopting good laws, but the central government and Gorbachev are standing in our way. After the coup there is no one to blame and no one on whom to shift responsibility. It has emerged that Russian politicians' ideas are threadbare and bankrupt, and they are unable to solve pressing problems. In such cases various ideas are emerging as to how to hang onto power a little longer. But how? I recall Yeltsin saying when he was here on Sakhalin: "If we continue to pursue our old policy, the people will lynch us."

Society is now ripe for an explosion. How are we to escape from the situation? An escape route is needed. That was when the idea of handing the islands over to the Japanese appeared.

I must say that this economic logic is quite feeble. It is totally unacceptable from the moral viewpoint. Surrendering the Kurils will do Russia most serious economic damage. It has been calculated that the Yuzhnokurilsk fishing expedition alone brings in 1.5 million tonnes of fish, equivalent to 7 billion rubles or $1 billion at world prices. So, from whom will we buy fish in 1992 if this irreparable damage occurs? Perhaps Russia's rulers will tell us?

The people of the Far East get 1.5 million tonnes of fish from these islands and huge shoals of fish move through the straits toward the shores of Maritime and Khabarovsk Krays. Japanese poachers stand in the shoals' way, they close off the straits, and set their nets. This is happening in our waters today. Just imagine what will happen when they own the waters! I assure you, no fish will get through. That is more damage for you. No Russian economists have taken that into consideration.

[Bratchikov] Before I came to visit you, Valentin Petrovich, I visited "Dalryba," where people are tearing their hair out in despair: The entire Far East fishing fleet will be laid up; this is, after all, the country's main fishing ground.

[Fedorov] Thousands of people will be left without work. A wave of manpower will swamp the job markets; the same thing as happened to Hokkaido's fishermen when the 200-mile zone was introduced. Their production capacities were being underutilized. Yet our shortsighted politicians will rub their hands and solve their economic problems. I can understand the Japanese politicians who are dying to get to the Kurils' "golden fleece." But where are our people's brains? Why are they confusing their interests and those of foreign states? They sit on different sides of the negotiating table, yet they think like the Japanese.

People say that we will get vast credits for this. You can get credit anywhere you like, but the money will have to be repaid later—with interest. Yet we will be losing our wealth forever. Where is the logic, where is the economic calculation in that? No.

Let me tell you this: The Russian Government has still not stained itself with falsehood and hypocrisy and I hope that it will not come to that.

As I see it, we do not have a Kuril problem, only the Japanese do. But one wonders: What reasons do they have for persistently waving the Kurils at the world community, like a red rag to a bull? The point is that, having resolved all its economic and social problems, Japan has begun to reinforce and expand its territory—a move that is quite admissible on its part and seems justified. But... We have to uphold our own national interests!

The 1956 declaration is widely used in their propaganda. Proceeding from this declaration, Comrade Kunadze, Russian deputy foreign minister, advocated immediately handing over a number of islands during his visit to the Kurils. Admittedly, I do not know what he is saying now, but he compromised himself once and for all on the islands in the public's eye by his pro-Japanese stance. It is amazing, what moral right does this man have to hold the post of deputy foreign minister. He is involved in chicanery, seeking out our every weakness—real and mythical.

Let us come back to the 1956 declaration. For some reason the Japanese overemphasize it and, on the other hand, forget the two memorandums of 1960 in which our government said that everything in the declaration was abrogated because, while it was being drafted, events were unfolding in a different direction from that presupposed by the two neighboring countries' impending friendly embraces. Remember, a military pact was concluded between the United States and Japan? We can take a less critical view of it now than we did then, from the vantage point of what we have experienced and been through. Yet our countries were on the verge of nuclear armed military conflict. It was only in that context that the Soviet Government said: Enough, that is an end to this sham brotherhood.

No one wants to remember that. When you hint at it, they say: Ah, yes, of course that is bad. The Japanese know what is at the bottom of it.

We are all perfectly aware now that the USSR Supreme Soviet was only a cover for all manner of adventurist decisions by Nikita Sergeyevich Khrushchev. His servants automatically stamped documents and now the Japanese refer to this cover.

To continue. The Japanese had a specific opportunity to solve the island question then, but they missed it. We cannot refer to 1956 or 1960 now. New realities have developed: Life does not stand still—contemporary answers must be found to contemporary realities. If we resolve matters as Kunadze suggests and take a contemporary situation and tie it to the past, we would be destroying what we are used to, deliberately and artificially creating strain, and damaging the bilateral relations that have taken shape for one thing and, given the discontent, causing revolt in our society for another. Which may overshadow relations for a long time to come or even forever. After all, following the lessons of Alaska and Port Arthur (these names wound the Russian heart) we must not inflict a third open wound.

[Bratchikov] I think the problem is that people in the upper echelons and the grass roots do not know the history of the Kurils and cannot imagine what they mean for Russia. Someone daubed the following inscription on a brick wall in Vladivostok: "Give the Kurils to Japan." Everyone passes by this graffiti in indifference.

[Fedorov] I would not focus attention on those who favor handing over the Kurils. That is their problem. That is their opinion. There are also people in Japan who oppose the Japanese Government's stance. According to the law of large numbers and averages, I admit that there is a divergence of opinion. The present has also given rise to extremism in our country. However, there is the sober majority, the critical mass who sooner or later will make our rulers listen to the voice of the people.

I am receiving a flood of collective letters and cables from around the whole country. I am delighted. They inspire the people of the Kurils in their staunchness. I repeat over and over: The south Kuril Islands are not merely Russian territory. It is a question of Russian land, and everyone who is trying unwarrantedly to gain the right to decide the islands' fate must be aware of that fact.

Working Group Visits Hokkaido To Enhance Ties

OW1910005791 Moscow Radio Moscow in Japanese 1100 GMT 12 Oct 91

[Excerpts] We would like to report on the visit to Hokkaido, Japan by the working group of the Khabarovsk Kray and the Maritime Kray.

An agreement on friendly cooperative relations was signed between the Russian Republic Government and the Hokkaido government in June last year. The main purpose of it was to further and promote relations between Japan and the Soviet Union, and to expedite the participation of the Soviet Far East region in the process of the integration [as heard] of the Asian and Pacific region.

A joint working group of the Russian Republic and Hokkaido has since been organized to map specific action plans, with the Russian party composed of specialists from the Khabarovsk Kray, the Martime Kray, and the Sakhalin Oblast. This year probes were conducted as to how cooperation should be made, and last summer specialists representing the Hokkaido government and various private firms of Hokkaido came to visit the Soviet Far East. Then, to return this visit, the delegation of the Khabarovsk Kray and the Maritime Kray went to Hokkaido in early October.

Natania Vasily, Radio Moscow correspondent in the Far East, who accompanied the delegation, reported as follows:

[Begin recording] The schedule for the visit to Hokkaido was tight. Sectional committee meetings were held every day. For example, specific cooperation in the forestry area was discussed between parties. The delegation held discussions with representatives of various companies in Hokkaido on questions on the regrowing and utilization of forests, the complete processing of forest products, and on various problems related to scientific and technological exchanges, and fishery and agricultural industry promotion.

The Japanese delegation's concern in the cooperation was great.

Discussions were also conducted on problems concerning private businesses' construction projects, trade and infrastructure, and the possibility of inaugurating regular surface and flight services between Hokkaido and the Soviet Far East region. [end recording]

Governor Yokomichi of Hokkaido spoke with participants at the meeting. He said:

[Begin recording] I was indeed shocked when I heard about the coup d'etat in August. I was concerned about how the situation would develop. I am very happy that the situation settled down quickly and that new reform has started. I think the people's strong desire for peace was able to defeat the coup d'etat. We, people of your neighbor nation, want this to become an opportunity to strengthen the friendship and exchanges with you, the people of the Soviet Far East.

Speaking on the area of economic exchanges, when I visited Moscow in June last year, we agreed to promote economic exchanges with the Russian Republic, and we prepared working papers with the three Soviet Far East provinces. The working group was formed last December, and talks have been in progress since then. I would like to take this opportunity to express thanks to the people of the Khabarovsk Kray and the Maritime Kray for their kind assistance that was provided to our delegation during our visit. [passage omitted] [end recording]

In response, (Aleksandr Akchurin), director of the kray government's overseas economic affairs who headed the Khabarovsk Kray delegation and international affairs department, spoke as follows:

[Begin recording] An event is now occuring which could be called historic. Good relations are being established between Russia and Japan and between the Soviet Far East and Hokkaido. Should the problems worrying the people of Hokkaido, who are partners of ours, be resolved, this will become a guarantee of mutual friendship and cooperation. That process is now making progress, and there can be no stop to it.

I would like to take this opportunity to express my thanks to the kray's governor who, representing all the people of the Khabarovsk Kray, supported the democratic force at the tense time of the coup d'etat. [passage omitted] [end recording]

Khasbulatov Receives Korean Entrepreneurs

OW2210031691 Moscow INTERFAX in English 1700 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] During his meeting in Moscow on Monday [21 October] with a delegation of South Korean entrepreneurs invited to Russia by the newspaper EKONOMIKA I ZHIZN, the acting head of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet Ruslan Khasbulatov observed that Russo-Korean economic contacts could have a favorable effect on the Russian Federation's eastern regions up to the Ural Mountains.

He said some of the ex-Soviet republics that had signed the Economic Treaty of October 18 were unlikely to strictly comply with it. This, he noted, prompted Russia "to develop its own infrastructure so as to be an independent and sovereign economic entity in the future."

Mr. Khasbulatov denied that there was any parliamentary opposition to the RSFSR president, but he admitted at the same time that it was still a question why executive power had been losing momentum in the implementation of economic reforms since the failed coup attempt in August. He noted that the present situation required concerted efforts from Russia's presidential, government and parliamentary structures.

According to Khasbulatov, the RSFSR parliament is "taking steps to put the ongoing reforms on a solid legal basis," which creates, among other things, a favorable situation for the attraction of foreign capital. At the same time, he said he preferred joint projects in agriculture, industry and the service sector to Russia's requests for foreign credits.

Yeltsin To Return German Art Treasures

LD2210025591 Berlin ADN in German 1100 GMT 21 Oct 91

[Excerpts] Moscow (ADN)—During his visit to Bonn on 21 and 22 November, Russian President Boris Yeltsin intends to return a collection of valuable drawings to Germany that the Soviet military collected as booty at the end of World War II. ADN has learned that the collection comprises 363 works by Raphael, Rubens, Rembrandt, Goya, Van Gogh and a unique collection of prints by Albrecht Duerer, including his self-portrait "Ecce Homo."

The drawings from the 15th to 19th centuries belong to the Bremen Kunsthalle. They were kept in Kyritz Castle until 1945 and were taken from there by Soviet officer Viktor Baldin, who then gave them to the Moscow Architecture Museum for safe-keeping. [passage omitted]

Against the will of Soviet Culture Minister Nikolay Gubenko, Yeltsin wants to return this collection to Germany as a "gesture of goodwill." Gubenko's intention was to make these and other art treasures the subject of negotiations with the German Government on the mutual exchange of art treasures stolen during World War II.

Democratic Party Calls For End to Cuban Aid

OW1810193091 Moscow INTERFAX in English 1735 GMT 18 Oct 91

[Transmitted via KYODO]

[Text] Pressure should be put on the Russian Federation's Supreme Soviet and government to have them terminate Soviet economic and military aid to the Fidel Castro antidemocratic regime. This idea was expressed on Friday [18 October] during the talks in Moscow between a Cuban opposition leader, president of Cuba's Liberal Union, Carlos Alberto Montaner, and chairman of the Executive Committee of the Democratic Party of Russia (DPR), V. Khomyakov.

The DPR's press centre informed IF [INTERFAX] that the talks concentrated on the political situation in Cuba and the moves of the democratic opposition.

On October 22, at 11 A.M., in the hotel of the Czecho-Slovak Embassy in the USSR, Mr. Montaner will give a press conference on the results of his visit to the Soviet Union. Tel.: 251-05-90, 251-05-48, 251-05-51.

Moldova

Popular Front Steps To Confrontation Noted

OW2110165491 Moscow INTERFAX in English 1441 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] On October 20, on the initiative of the Popular Front's Executive Committee, a congress of Moldova's volunteers was held in Kishinev.

The volunteers' paramilitary formation was organized in the autumn of 1989 to see that the state-of-emergency regime is observed in Moldova's southern regions, where the Gagauz Republic was proclaimed.

The initiator and actual leader of the 20,000-strong Moldovan volunteers' regiments is Moldova's ex-premier, Mircea Druk. After resignation he joined the leadership of the Popular Front.

Member of the volunteers' Provisional Council, Vyacheslav Cheremush, told Moldovan national radio that the new organization pursued "humanistic goals", among them "aid to victim of natural disasters".

On the eve of the congress, Moldovan president, Mircea Snegur urged its organizers to renounce this unauthorized action.

Responding to an inquiry of deputies worried by the flurry of activity on the part of the illegal paramilitary formations, Mr. Snegur said that the Popular Front's plans to hold the volunteers' congress had "far-raching goals."

He qualified the Popular Front leaders' actions as anticonstitutional and warned that the law-enforcement bodies had been instructed to take adequate measures to ensusre that laws be observed.

And yet, the president's demands were neglected and the congress held. The leaders of the Popular Front, Yuri Roshka, Mikhai Gimn and Micea Druk urged the volunteers to form an opposition to Moldova's current leadership and boycott presidential elections scheduled for December 8.

Local analysts note that the opposition course announced by the Popular Front is increasingly reminiscent of open confrontation with Moldova's state authorities.

Ukraine

Kravchuk Confirms Economic Treaty Signing

LD2110170891 Moscow All-Union Radio Mayak Network in Russian 1630 GMT 21 Oct 91

[Text] Our correspondent reports from Kiev that Ukraine Supreme Soviet Chairman Kravchuk has reconfirmed that the republic will sign the treaty on economic cooperation without fail after concluding agreements with other republics. He stated this when speaking at a meeting of Ukrainian lease-holders.

Rukh's Drach Assesses Independence

AU1810094291 Warsaw TYGODNIK POWSZECHNY in Polish 13 Oct 91 pp 1, 3

[Interview with Ivan Drach, leader of the Ukrainian People's Movement for Perestroyka, Rukh, by Wojciech Pieciak and Andrzej Romanowski in Kiev on 26 September: "Our Path Leads Through Poland"]

[Text] [TYGODNIK POWSZECHNY] Mr. Chairman, an independent Ukraine has created a great impression in Polish society. The Skubiszewski-Zlenko Warsaw declaration on the readiness to establish diplomatic relations is the best example of that. However, it would appear that your independence still belongs more to the domain of formal declarations rather than to reality. It will surely be impossible to avoid resistance on the part of old communist structures, or in any case, on the part of the primarily Russian non-Ukrainian population. Finally, there is the great problem of the low level of national awareness, especially in the villages of the eastern Ukraine or in such areas as the Donets Basin. So, what does Ukrainian independence mean today?

[Drach] I think that de jure independence will become de facto independence day by day. However, the process will, of course, be long and difficult. After all, the Communist Party of the Ukraine was one of the leading organizations within the CPSU: Although people have formally handed in the party membership cards, they retain their old mentality.

To the very painful problems that today's Ukraine faces—problems that you rightly pointed to—one must add the presence of an enormous army of 1.5 million Soviet soldiers. It is worth knowing that the independence of Eastern Europe—Germany, Poland, Czechoslovakia, and Hungary—has been bought for the price of a certain dependency on the part of the Ukraine. The Soviet forces that have been withdrawn are coming to us; work has started in our country on the construction of 19 new towns, where the Soviet forces that are returning are to be housed. What is more, as you know, the Ukraine's industry was subordinated to the Soviet center. The entire military-industrial complex is a formidable complex that, among other things, inspired the Yanayev-led Moscow coup.

It is, of course, also true that there are shortcomings regarding national awareness; if only we were like Poland.... or like Lithuania. On the other hand, it was easier for these two nations inasmuch as they possessed a single national structure and the one Catholic religion.

However, I am an optimist, because there are other factors in the Ukraine that foster statehood. Even the old structures understand that only a Ukrainian state can result in self-determination for the nation and the state. There is a hope that a majority of society will indeed vote for independence.

[TYGODNIK POWSZECHNY] You are referring to the referendum on the issue, which will take place on 1 December along with the presidential elections. What do you expect the result of the referendum to be?

[Drach] I do not know. Officially, 50 percent plus one would be enough, but that one is naturally very important for us. If the result is negative somewhere in the Lugansk region (Donets Basin) or in the Crimea, the lack of that 1 percent will be like a rusty nail in the body of the nation, a nail that will constantly hurt the existence of Ukraine statehood. That is why we will do everything possible to make the percentage of people who vote for our independence and statehood higher.

[TYGODNIK POWSZECHNY] What will happen if that 50 percent plus one is not obtained nationwide?

[Drach] That is impossible. It is simply improbable.

[TYGODNIK POWSZECHNY] Are you not afraid that those who have been in power until now, the former communists, will take over your independence slogans, as they did in Belorussia, simply to retain power?

[Drach] Of course, that is possible, but as I said, even if the former Communists only want to hold on to power, they will nevertheless be forced to work to our advantage. They realize that they will not be able to hold on to power by acting against us; they understand there is no going back to the old structures. They are rejected by Russia, because Yeltsin and the Democrats are in power there. As they do not have any support in Moscow, they have to take steps to strengthen their position against their own will. One way or another, they have to work for a sovereign Ukraine.

[TYGODNIK POWSZECHNY] What is Rukh's attitude toward "Democratic Russia"?

[Drach] Mutual relations are good. Recently, when some territorial claims were voiced by Voshchanov (the head of Boris Yeltsin's press center), Yuriy Afanasev and Elena Bonner protested very vehemently. Twenty-four Russian parliament deputies, led by Afanasev, issued a special statement on the subject. The group is quite active in coming out against Russian imperialism.

[TYGODNIK POWSZECHNY] But can one even contemplate a Russia without the Ukraine?

[Drach] Yes, one can. The situation was dramatically different in the past, when Poland or Finland were fighting for independence in the years 1918-20. At that time, there really could not have been a Russia without the Ukraine. Now, things are different. Of course, that one-third of agricultural output and that one-fourth of industrial output that the Ukraine accounts for is very substantial for the empire. However, Russia can, nevertheless, survive without the Ukraine. Once everything is worked out, and the calculations should be made by Western financial institutions, our states can be separated.

Of course, all this does not mean that Russia will not put up a fight! It will fight with all its strength and that fight, from, for example, the economic or information angles, is something that it is just beginning. Even as important a piece of news as the visit that Ukrainian Supreme Soviet Chairman Leonid Kravchuk paid to the United States and Canada was embargoed by the Soviet media. When some mention was actually made of the visit, it was done in an ironic or dismissive manner.

[TYGODNIK POWSZECHNY] The Russian press often notes the fact that there are 11 million Russians living in the Ukraine and is pursuing a campaign to have these regions incorporated into Russia. So, is there a possibility that Russia might formally propose an alternative: Independence—yes, but for the price of territorial concessions?

[Drach] I do not think that one can present the issue that way. Russian claims on our territory can be offset by our claims regarding the Kuban, Voronezh, Kursk regions, or the so-called "green strip"— the Ukrainian enclave in the far east. The 10 to 11 million Russians in the Ukraine are offset by the same number of Ukrainians in Russia—it is like having hostages on both sides, and so, that idiotic card can be played, but it is not worth it, and I do not think that the situation will arise.

[TYGODNIK POWSZECHNY] How does Rukh see the stages leading to actual independence?

[Drach] At the present time, we are forced to abandon various important matters connected with Rukh, and to concentrate directly on organizing our independence. We are looking for people and following how the KGB is being transformed into a Ukrainian national security service, and how our defense ministry is being formed. There are, for example, two concepts for the creation of a national guard. Some say that it should be created out of some part of the militia and be subordinated to the Ukrainian authorities. Others say that we should start from the beginning and select people for the guard individually from among Ukrainian patriots. So, we have lot of very difficult problems to deal with.

[TYGODNIK POWSZECHNY] During a transitional period, would Rukh countenance the possibility of a confederation along with former Soviet republics?

[Drach] Rukh is in favor of full independence. However, for a certain period of time, some forms of economic cooperation or nuclear arms control would be possible. Many issues are interrelated. The nuclear arms that are currently in Russia, Belorussia, the Ukraine, and Kazakhstan will have to remain under a joint command for some time, although we, as an independent Ukraine, want to be completely free of nuclear weapons.

[TYGODNIK POWSZECHNY] You want to be an independent, democratic, neutral state without nuclear weapons....

[Drach] Yes.

[TYGODNIK POWSZECHNY] Does the main difference between Rukh and the current post-communist authorities, led by Leonid Kravchuk, concern how the confederation idea should be approached?

[Drach] Yes, Rukh is in favor of full independence, Kravchuk, on the other hand, sees some kind of union confederation, and backs confederation principles.

[TYGODNIK POWSZECHNY] You raise the issue of territorial integrity and the inviolability of the present Ukrainian-Russian border. Does Rukh also declare the Ukrainian-Polish border to be inviolable?

[Drach] That is right. Our activities are based on the Helsinki principles, and we should adhere to that in the future. If we were to begin some kind of revision of borders, then there would be no end to the process. There would once again be terrible bloodshed. So much blood has already been shed on the Polish- Ukrainian border that we now have to give all these things proper thought—on our side and on the Polish side. There just has to be a common awareness that a free Poland is only really possible if there is a free Ukraine. However, it seems to me that the Poles perhaps view our situation with something of a feeling of superiority. They delude themselves into thinking that bypassing the Ukraine and reaching an agreement with Moscow provides a simpler and shorter road to Europe, but that is not true. Only Polish-Ukrainian reconciliation and understanding can mean something to the imperial monster, which will surface, regardless of whether it is a communist or a democratic monster. The bear's claws will always be visible.

[TYGODNIK POWSZECHNY] What do you think about the position of the Ukrainians in Poland? Does Rukh have any demands in this regard?

[Drach] No, I think that we should simply be more tactful regarding each other, above all on both sides of the Polish-Ukrainian border, so as not to inflate any of the minor problems that occur on the border and not to attach more significance to these problems than they actually have. I would like it to be known that here in the eastern Ukraine, on both sides of the Dnieper river, there are many fraternal, positive feelings toward Poland, the Poles, and Polish culture. These feelings are exceptionally friendly, and exceptionally deep.

[TYGODNIK POWSZECHNY] Will Rukh endeavor to create a legal framework settling the status of the Polish minority and that of other minorities in the Ukraine?

[Drach] We see it as our duty to do so, but please permit me to say a few words about our diplomatic contacts, because I think that they are indicative of the future. We have always had very good relations with the consul in Kiev, Mr. Ryszard Pulkowski. He might also confirm that Rukh has always been favorably disposed toward Poland—whether on the issue of churches or on the recent funeral for Polish officers in Kharkov. Even on 19 August, on the first day of the coup, when it was still unclear how things would develop, the Polish consul said that his mission in Kiev would provide shelter to democrats, and, if necessary, an information center could be set up there. The Polish consulate was always ready to work with us and displayed exceptional friendship.

Andrzej Romanowski: Last year in New York I spoke to the nestor of the Ukrainian emigre community in the United States, Mr. Miroslav Prokop. He told me that he personally saw no obstacles to a substantial number of Poles settling in present-day Lvov. I have to admit that that statement from the lips of a man who was born in Przemysl and who at one time fought against the Poles made a deep impression on me. Would you also align yourself with Miroslav Prokop's position?

[TYGODNIK POWSZECHNY] Yes, undoubtedly. Of course, that should be possible on both sides. The one thing that should be taken into consideration is the distrust of the Uniate Church felt by certain circles in the western Ukraine. Rumors are being spread to the effect that the Uniate Church wants to sell the western Ukraine to Warsaw and the Poles, and that is used to foster hostility toward Poles and Uniates. So, there can be a great deal of controversy and that is why all these issues have to be approached with great sensitivity.

[TYGODNIK POWSZECHNY] Are there political forces in Poland that the Ukrainians are afraid of?

[Drach] We in Rukh are always afraid of nationalism. Just as you are. We would be afraid of views such as "the Ukraine for the Ukrainians," and we would also be afraid of slogans such as "Poland for the Poles." We always come out against views of that kind. However, incidents do still occur, although I do not recall anything recently concerning Ukrainian-Polish relations. Recently, for example, we had a visit from a delegation of Russian intellectuals from St. Petersburg. Some nationalists, boys, who I did not know, burned a Russian flag in front of their very eyes. Of course, that could have been a provocation, but it does encourage the growth of nationalist sentiments.

[TYGODNIK POWSZECHNY] How can Poland help you? In Kiev, we heard the view that if your government was to recognize your independence before 1 December, before the referendum, that would help you very much, and would no doubt even impact on the outcome of the ballot?

[Drach] Of course, it would be very good. I think that something might be troubling Poles and perhaps even troubling Lech Walesa, because Lithuania's President Landsbergis once said with regret that Lithuania's road to Europe does not lead through Poland. As we know, Lithuania felt offended that Poland did not recognize it when that was what it most needed.

[TYGODNIK POWSZECHNY] I do not believe that Poland could have done that then.... One last question: In what direction are the Ukraine's economic reforms heading? Can the Polish model, the Balcerowicz policy course, provide a pattern for you?

[Drach] Yes, to a certain extent. However, it has to be borne in mind that Poland is a closed structure, whereas the Ukraine belongs to an enormous imperial swamp. The sooner—let us carry on with the simile—the Ukraine seals off and dries out its part of the swamp the better. At the moment, basic issues are the most important thing for us: a bank, customs duty, our currency.... What is obvious for Poland still lies ahead of us. Only then will things be normal: the path to a free market and private property will be open. It is the normal path for a state that wants to reach Europe.

[TYGODNIK POWSZECHNY] Perhaps it will lead to the European Community in the future....

[Drach] Perhaps, in this respect, we really want to travel the Polish path. We know that the path to Europe (perhaps this makes us different from Lithuania) really does lead through Poland for us. Let's hope, with God's help, that it succeeds.

Political Tensions in Crimea Analyzed

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[Article by special correspondents Eduard Kondratov and Viktor Filippov under the "Political Map" rubric: "Crimean Peninsula"]

[Text] Simferopol—Until recently the Crimean peninsula was one of the regions that retained a more or less calm sociopolitical climate. But then a short while ago that calm was broken: The Crimean ASSR [Autonomous Soviet Socialist Republic] Supreme Soviet Presidium issued a highly significant statement. "While respecting the right of the Ukrainian people to self-determination," it says in particular, "we consider at the same time that similar respect must be shown in equal measure for the will of the Crimeans and their right to build their own statehood on the basis of a referendum, if this is prompted by a change in the political situation."

In the referendum on 20 January this year over 93 percent of those who voted favored recreating the Crimean ASSR. On 12 February the Ukrainian Supreme Soviet supported this expression of the people's will with a law on restoring the Crimean autonomous formation. You might think: What else could the inhabitants of this fertile peninsula washed by warm seas want? Then suddenly a statement appeared which is nothing less than a warning of the Crimeans' determination to choose their republic's fate independently. How did the political situation change there? What more respect do the inhabitants of the Crimea want?

We went to Simferopol to put those questions to Supreme Soviet Chairman N. Bagrov. But we missed him: Nikolay Vasilyevich had flown to Kiev. We had to make do with a tape recording of his speech on local television.

In N. Bagrov's opinion, the political situation changed 24 August, when Ukrainian parliamentarians approved the "Act on the Proclamation of the Ukraine's Independence." After that the recreation of Crimean statehood in the form that the absolute majority of Crimeans would like to see became impossible. At referendums 20 January and 17 March people supported an autonomous republic forming part of the Ukrainian SSR [Soviet Socialist Republic] as a subject of the Union and a party to the Union Treaty. But the Union de facto no longer exists and the actions of the Ukrainian parliament do not presently inspire hope of its participation in the community of sovereign republics. And since it follows from the "Act on the Proclamation of the Ukraine's Independence" that its territory is indivisible and inviolable and that only its constitution and its laws have force on the territory of the independent Ukrainian state, the Crimea's inhabitants were left in the role of passengers in a small boat which has suddenly been towed by a large ship somewhere they do not want to go at all.

In this way there emerged a situation in which, N. Bagrov considers, it became necessary to look at history and critically review the 19 February 1954 USSR Supreme Soviet Presidium decree "On the Transfer of Crimean Oblast from the Russian Soviet Federated Socialist Republic [RSFSR] to the Ukrainian SSR." Let us recall here: that year marked the 300th anniversary of the reunification of the Ukraine and Russia and N. Khrushchev marked this jubilee with a bountiful gift, settling the fate of the peninsula's inhabitants with the disdain of a feudal lord and without even thinking to ask whether they want this or not.

Why did the Crimeans not remember this decree during their January referendum? Because then the Ukraine itself was preparing to sign the Union Treaty, which coincided with the interests of the peninsula's inhabitants. But now that the big ship has abruptly changed course and is rapidly setting out on a completely sovereign voyage, the passengers in the small boat are not against severing the line that joins them. N. Bagrov is convinced that the Crimea has very realistic possibilities of living independently and, what is more, even very well. There is a mighty "non-smokestack industry"—tourist resorts—here and foreign businessmen make a beeline for the place.

The leaders of the Crimean Supreme Soviet intend to invite B. Yeltsin and L. Kravchuk to one of its sessions to jointly resolve the Crimea's future. It is not impossible that this will be at the next session, on 23 October, when deputies will examine the Crimean ASSR draft law "On the Referendum." There is a need for this law since under the law operating even in the Ukraine local referendums are not empowered to resolve questions of statehood. In the Crimea they intend to conduct their referendum on the attitude toward the Ukraine and, Bagrov is convinced, the majority of the peninsula's inhabitants will advocate complete autonomy for the Crimea.

The square in front of the Crimean Council of Ministers—that barometer of the politicization of the people—has not yet given warning of storms. Until August rallies here were infrequent and were mainly about the calamities of the Crimean Tartars returning to their historic homeland. Nowadays, however, several times a week, calls for the Crimea to take its fate into its own hands are heard through powerful loudspeakers at the foot of the monument to Ilich. Admittedly, the number of people listening to these appeals is sometimes not much more than the number of people making them.

This, however, certainly does not mean that the influence on the population's mood of the many groups, societies, and movements reacting stormily to the "Act on the Proclamation of the Ukraine's Independence" is slight. The fate of political ideas is as mysterious as the ways of the Lord. So we are not going to try to predict which of them the Crimeans will prefer. We shall limit ourselves to presenting the Crimean political palette in its main colors. And we shall begin with the extreme opposition—the "Democratic Crimea" group, which brings together deputies of soviets at all levels and which has set itself the aim of creating a prosperous democratic society on the peninsula. Its leader, Crimean ASSR Supreme Soviet Presidium Member Yu. Komov, sees the situation today like this:

"The present procommunist structures need the referendum on the status of the Crimea solely to hold on to power. The Russian majority of the population, of course, will vote for a return to Russia and will thus stymie Yeltsin: Either he must break the accord with the Ukraine on the inviolability of borders or he will be a 'traitor' in the eyes of the Russians 'given' to the Ukraine in 1954. But a 'sovereign' Crimea will be a state which will still be headed by yesterday's partyocrats and where the new-born democratic processes will be suppressed. So before deciding the fate of the Crimea, it is necessary to hold a referendum on confidence in its Supreme Soviet and then to hold elections of people's deputies on a multiparty basis."

The participants in the "Crimea Civic Forum" movement speak almost with one voice: the resignation of the Supreme Soviet and elections on a multiparty basis, but without fail a referendum set for 1 December to clarify whether Crimeans want to be part of Russia or the Ukraine. "Cozying up" to either of these democratic, anticommunist republics means destroying the plans of the "eminences grises" who are ready to turn the Crimea into an oasis for mafia structures.

The "Crimean Republican Movement" also favors a referendum—but with a different content—on attitudes toward the anti-people decree on giving the Crimea to the Ukraine. This movement expresses the political interests of the "Bagram" Afghan veterans' organization, which belongs to "Impeks-55 Krym," an entrepreneurs' association prepared, according to the movement's leaders, to bear all the costs of organizing the referendum itself. But it must be held before 1 December, that is, before the Ukrainian presidential elections. They see the Crimea's future as being to acquire the status of an independent republic within the Union of Sovereign States.

The "20 January Movement," as the name suggests, defends the main result of the referendum held on that date: The Crimea must remain a subject of the Union Treaty. The movement's founding fathers are people from the scientific and creative intelligentsia. The immediate aim is another referendum to ask the question: "Do you agree that the Crimean ASSR should secede from the independent Ukrainian state?"

Now a special mention of a special city—Sevastopol. There at the end of September there was a large rally at which inhabitants demanded that the Crimean authorities immediately revoke the 1954 decree giving the Crimea to the Ukraine. It was stated that if Russia refuses to accept the unfortunate peninsula, the Crimea will have to independently join the Union of Sovereign States.

"Of course, the rally's opinion is not the will of all the people of Sevastopol," Colonel I. Yermakov, chairman of the city soviet, believes. "However, I am convinced that a referendum on the city's fate is inevitable. And Sevastopol has its own unique destiny. Russia's maritime stronghold, founded back in 1783, was and remains the city of Russian glory. Not Ukrainian, notice, not Soviet, but Russian. Incidentally, out of 400,000 Sevastopol people around 300,000 are Russian. If the Ukraine does not join the Union of Sovereign States we shall seek the status of city under union subordination for Sevastopol. Even now, according to the Ukrainian Constitution, it is directly subordinate to Kiev and Moscow as the Black Sea Fleet's main base. The fleet cannot be split into pieces—after all, it is based in four republics apart from the Ukraine."

The spectrum of opinions of the various public circles concerned about the fate of the Crimea, as you can see, is restricted essentially to one color range. The differences are only ones of shade: What kind of referendum should it be and when should it be held? Other problems concern other social organizations—the branch of Rukh, which is loyal to the Ukraine, the Russian society advocating the idea of an assembly of the Slav peoples, the moderate National Movement of Crimean Tatars, and the far more radical Organization of the Crimean Tatar National Movement—are very dissatisfied with one another and even more so with the republic authorities. Thus the political map of the peninsula is almost as fragmented as the whole of the Ukraine, Georgia, or Moldova. Where the Crimea differs is that differences of opinion between people have not yet developed into acts of violence. Even the events of the two months since the putsch, which undoubtedly shook the Crimea up and caused a perceptible rise in public activeness, did not cause a tidal wave.

However, there was just one episode which suddenly sharply aggravated interethnic relations. In August, by decision of the Simferopolskiy Rayon Soviet Executive Committee, the "self-build" homes of the Crimean Tatars deported by Stalin and resettling in their native land were demolished. Leaving aside the legality of this action, let us dwell only on the purely political aspect. The merciless demolition of the temporary structures was the result of an acute confrontation between the Crimean Tatar national movement and the republic's power structures. The majlis elected by the kurultay convened in June and the Crimean ASSR Supreme Soviet do not in principle recognize each other's authority. The majlis considers itself the only representative of the indigenous population of the Crimea and denies both the legality of the January referendum and the "unelected Supreme Soviet." The kurultay deputies have proclaimed the Crimea their own national territory and have set themselves the aim of reviving on the peninsula's territory the Crimean Tatar people with an exclusive right to self-determination. It is not only the authorities who refuse to pander to the maximalism of the 135,000 Crimean Tatars but also the nearly 2.5 million "non-indigenous" inhabitants of the Crimea.

Nevertheless, until mid-October it would have been stretching a point to describe the political situation in the Crimea as dangerously aggravated or, say, as tense. Until now one could surely speak only of brewing discontent at the implementation of the law on language passed by the Ukrainian Supreme Soviet. This is a natural phenomenon for the Crimea, where two-thirds of the inhabitants are Russian and 82.6 percent call the language of Pushkin and Tolstoy their native tongue. The sharp increase in the number of hours of study of the Ukrainian language at the expense of a reduction in Russian classes and the receipt from Kiev not only of Ukrainian textbooks for junior grades but also of Ukrainian official documents are viewed here as a policy of enforced Ukrainianization and understandably evoke protests. Ukrainian parliamentary deputies, carried away with affirming the national idea in all four corners of the republic, see the Crimeans' resistance as a sign of residual stagnation. "Vrangel's Crimea was the last stronghold of the Whites, now it has become the stronghold of the Reds"—that is roughly how the hasty political evolution typical of the peninsula's life is assed "on the left."

Meanwhile, the hopes that the Crimea, like the Lvov region, will one day be fired by the ideals of all-Ukrainian national rebirth are, to put it mildly, naive, if not utopian. The peninsula's multinational population, plus the fleet, educated in a traditionally internationalist way, plus the millions of vacationers constitute a stable demographic environment. I do not believe that the seed of nationalism will germinate in it. Whether Ukrainian or Russian. Therefore the Crimea's political orientation toward Russia does not demonstrate either "Ukrainophobia" or an eruption of "great Russian national pride." Just last year it was not that important to the Crimeans whether the blue stripe in the red state flag was next to the flagpole or at the bottom. By voting for autonomy in January they unhesitatingly agreed to live within the Ukrainian SSR. Because they knew that the Crimea, whatever its name, remains part of a multilingual and ethnically motley world—the renewed Union, Community, or Commonwealth [Sodruzhestvo]—in which one person in two is a Russian.

Now things have changed completely. The Ukrainian parliament, when proclaiming its independence from the USSR, did not consider it necessary to ask the opinion of the Crimea's inhabitants. This was a mistake. Here, in these fertile regions which since time immemorial have attracted not only a multilingual public but also vast capital investments, people do not see the Crimea's future in isolation within Ukrainian borders and customs services. To whom should the Crimea belong—to the Ukraine, which wants to live by itself, or with a Russia gathering around itself a community of equal republics—judging by public opinion polls, this alternative does not exist for it. Admittedly, a third path is also possible too: the status of a sovereign republic. But even that for the Crimea means being not within Russia but nevertheless being united with it. The Crimea's Russian population is not going to break the umbilical cord linking it with its people. Disregarding that means inflaming yet another interethnic and now inter-Slav conflict.

So what happens next? The revision of territories? Let us recall the shock caused among Russia's neighbors by a mere allusion to Yeltsin's words on the possibility of a revision of republican borders. The anxiety has eased today—the principle of the inviolability of the borders has been confirmed loudly and unanimously. But blood is still flowing in Nagorno-Karabakh, where the Armenians, cut off from their people, have been refusing to accept this fact for four years now. "While Azerbaijan does have an argument—its ancient ownership of Karabakh soil," the Crimeans say, "what historically valid arguments can the Ukraine cite? The voluntarist act of Nikita Sergeyvich? Perhaps even Stalin was right when he divided the Moldavian people with a stroke of blue pencil?" Certainly there is nothing more dangerous today than territorial claims by sovereign republics against one another. But are those people right when they deny the right of the peoples themselves to determine their own fate?

This is why "referendum" has become the key word in the programs of the majority of the political movements in the Crimea. And it will be difficult to prevent that—if we are talking only of legitimate methods, of course—because for the civilized world a referendum is a means of the peoples' self-determination recognized by international law.

By all accounts, however, the Ukrainian parliament is not inclined to accede to the Crimea's wishes. The acute reaction of the Supreme Soviet session now being held in Kiev to the separatist sentiments of the inhabitants of the Donbass and the Crimea found expression recently in an amendment to Article 62 of the Ukrainian Criminal Code. Now this article promises a harsh punishment—from three to seven years' imprisonment—for actions aimed at dismembering the Ukraine or altering its state organization. Returning from an overseas trip, L. Kravchuk said quite bluntly at a press conference: "The Crimea is a constituent part of the Ukraine. And that is all there is to say about it." The processes taking place there are, in his words, "being encouraged from outside," but this will hardly "lead to any cardinal changes. We simply cannot allow that," the head of the Ukrainian parliament concluded.

One can only guess at what is behind such resolute claims and what precise levers for curbing the obstinate Crimeans are being envisaged. The bitter experience of Moldova comes to mind: The situation is in many ways identical. There too the conflagration began with the law on the language. The opinion of the population of the Dnestr region, a mainly Russian-speaking region, was ignored and the response was a mass strike. Then, as is well known, it all happened: They too hastily adopted laws threatening punishment for separatists, declared referendums unlawful, arrested rebellious leaders, and twice there was bloodshed... And the result? The Dnestr region population became even more determined opponents of secession from the Union and the Moldova leadership was convinced that nothing can be achieved by force.

Is the same not happening with the Crimea? There is a difference: Unlike the self-styled Dnestr Moldovan Soviet Socialist Republic, the status of the Crimean ASSR has been legitimized by the Ukraine itself. Furthermore, its oblasts adjoining the peninsula take a more sympathetic than condemnatory view of the Crimea's desire to escape Ukrainian state self-isolation. Thus to apply even economic sanctions against the recalcitrant Crimea without arousing the indignation of the southern Ukraine will not be all that easy.

Talking with V. Kurashik, chairman of the Crimean ASSR Council of Ministers, we realized that the republic's government takes a quite realistic view of the extreme complexity of the situation that is developing. In the Crimea people clearly see both that "economic divorce" from the Ukraine, which supplies it with almost all its power, water, and coal, will be disastrous for the peninsula and that it is impossible for it to secede from the union of republics. In V. Kurashik's words, the Crimea is geared up for the broadest and most multifaceted cooperation and makes absolutely no claims to the sole possession of all its resort wealth. On the contrary, the peninsula is ready to accept all investments in its health industry if they strengthen the budget and thus benefit Crimeans. Business cooperation with the republics and foreign countries will not only improve the economy but also render interethnic claims groundless and smooth over the political problems.

People's well-being, a peaceful life, and confidence in the future for Crimeans are more important today than the color of the flag hanging over executive committee buildings. That is the opinion that we formed after our Crimean assignment. The peninsula's population wants to use the language they find more convenient, go where they want, and to read the newspapers that suit their taste. More than 70 years under the communist regime forced them to live "as they ought to" rather than as they wanted to. And now, afraid that national rather than communist diktat will bend their will to it, the Crimea's people are ready to use all the advantages of democracy to arrange their life as they, the Crimeans, want, and no one else.

We are not going to decide whether this is good or bad, but it has become obvious to us that it is by no means fervent revolutionaries who are setting the tone on the Crimean peninsula today. They are just realists, sincerely convinced that the economy is more important than politics.

One last point: In the conditions of chaos, countless supply failures, and disrupted economic ties prevailing in the country, the economic slump in the Crimea now is just 1.5 percent—several times less than in Russia or the Ukraine, for example.

Is that not why the Crimea is choosing its own destiny so carefully today?

Georgia

Opposition Party Holds Rally in Tbilisi

OW2110220391 Moscow INTERFAX in English 1959 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] The opposition National Democratic Party (whose leader Georgiy Chanturia is under arrest) held a mass rally in Rustaveli Square in the Georgian capital Tbilisi on Monday [21 October] evening.

Speakers again demanded President Gamsakhurdia's resignation and restoration of the parliamentary republic.

Participants were told that the head of the strike committee of Georgia's TV company, Valeriy Kvaratskhelia, had been arrested in his own apartment on Monday morning.

Ex-Premier Tenghiz Sigua said that "an independent Georgian TV company" had begun on Monday to broadcast from the grounds of the base of "disloyal" national guards near the artificial lake in Tbilisi suburbs.

President Suspends Abkhazian Resolution

AU2110104791 Tbilisi SVOBODNAYA GRUZIYA in Russian 10 October 91 p 1

["Republic of Georgia Presidential Decree on Suspending the Resolution Adopted on September 1991 by the Presidium of the Supreme Council of the Abkhazian Autonomous Soviet Socialist Republic 'On the Creation of the Abkhazian Republican Customs Service'" issued in Tbilisi on 8 October]

[Text] On 27 September 1991, the Supreme Council Presidium of the Abkhazian Autonomous Soviet Socialist Republic [ASSR] adopted a resolution on the creation of the Abkhazian Republican Customs Service, having coordinated the questions of its structure, personnel, and activity with the Customs Committee of the USSR.

The resolution adopted by the Presidium is at variance with the Republic of Georgia law "On the Customs Service of the Republic of Georgia" adopted on 15 September 1991 in accordance with which an autonomous republic cannot create customs services. Moreover, it is in contradiction with Article 82 of the Republic of Georgia Constitution according to which the laws of the Republic of Georgia are equally binding on the territories of autonomous republics.

The Presidium has also violated Article 103 of the Abkhazian ASSR Constitution that does not entitle it to adopt decisions that are legislative in character. Thereby the Presidium has exceeded its powers.

Based upon the above and proceeding from Article 121, item 12, point four of the Republic of Georgia Constitution, I resolve as follows:

To suspend the resolution adopted on September 1991 by the Presidium of the Supreme Council of the Abkhazian ASSR "On the Creation of the Abkhazian Republican Customs Service" as one that contradicts the Republic of Georgia Constitution, the Republic of Georgia Law on the Customs Service of the Republic of Georgia, and the Constitution of the Abkhazian ASSR.

[signed] Zviad Gamsakhurdia, president of the Republic of Georgia
[dated] 8 October 1991, Tbilisi

Troops Make 'Favourable' Impact in Tskhinvali

LD2110170191 Moscow TASS in English 1521 GMT 21 Oct 91

[By correspondent Valeriy Shanayev]

[Text] Vladikavkaz October 21 TASS—Shots sounded last night in "hot spots" of Ossetia—around Tskhinvali and on the outskirts of Znauri. A lull set in in other districts.

Additional units and armoured equipment were brought into Tskhinvali on the order of the USSR interior minister. This had a favourable effect on the situation. Such is the opinion in the press centre of the South Ossetian information committee. A peace making mission of participants in an international conference on Ossetic studies, held in Vladikavkaz, had an undoubted beneficial influence. Scholars from 12 countries familiarised themselves with the situation in Tskhinvali, talked with refugees and military. They said they would not fail to inform the world public of what they heard and saw.

A particularly alarming situation persist in Znauri. Georgian commandos are constantly strafing and shelling it. Helicopters and armoured carriers are used against the local population. Only men stayed on in the district centre. Women, children, old people were evacuated to Tskhinvali.

The blockade on Tskhinvali is tightening. The city lives under a state of emergency. The only road linking it with Dzhava has been blocked by commandos. Aid from Vladikavkaz reaches Tskhinvali only if heavily guarded. Flour, medicines and fuel reached it today in this manner.

Ossetians demand that a state of emergency be immediately introduced all over South Ossetia, that women, children, the aged and the wounded be urgently evacuated from the area of armed conflicts.

A session of the Supreme Council of the North Ossetian Republic will continue in Vladikavkaz on October 22. The parliament will discuss the situation in South Ossetia. People's deputies of the autonomous regions demand to raise to the Russian parliament the question of the autonomous region's entering the Russian Federation and of unification of the North Ossetian Republic and the South Ossetain autonomous region.

Armenia

Official Meets Visitors, Views Economic Treaty

NC2010100991 Yerevan Radio Yerevan International Service in Armenian 1730 GMT 19 Oct 91

[Text] Babken Ararktsyan, first deputy chairman of the Armenian Supreme Soviet, yesterday received Louise Simon Manukyan, president of the Armenian General Benevolent Union; Mihran Agababyan, director of the American University in Armenia; and Bishop Garegin, the prelate of Ararat Diocese.

Louise Manukyan and Mihran Agababyan thanked the republic's authorities for their assistance in establishing and opening the American University in Armenia.

At the request of the guests, Ararktsyan discussed proposed Supreme Soviet activities during the transition period to a presidential system of administration.

Ararktsyan also discussed the interrepublican economic cooperation, specifically noting that while maintaining full political independence, the republic is trying to find new productive ways for economic cooperation. These will enable us to mitigate the social tension during the transition period, he said.

Ararktsyan then discussed the work the Russian and Kazakh observers will carry out to resolve the Nagorno-Karabakh problem.

Both sides stressed the need to enhance the spiritual, cultural, and information ties between Armenia and the Armenian communities abroad.

Ter-Petrosyan Seeks Permanent Observers

LD2110194291 Moscow TASS in English 1327 GMT 21 Oct 91

[By correspondent Tigran Liloyan]

[Text] Yerevan October 21 TASS—President Levon Ter-Petrosyan of Armenia on Sunday [20 October] called for a permanent presence of international observers in Nagorno-Karabakh.

During a meeting here with Baroness Caroline Cox, deputy speaker of the British upper house, the House of Lords, Ter-Petrosyan expressed the opinion that the "undisguised policy of human rights abuses in the Nagorno-Karabakh autonomous region" should no longer be viewed as an internal affair of another state and due to that, the Karabakh problem becomes an international one.

The Armenian leader therefore considers it necessary for observers from the United Nations and other international organisations to be in Nagorno-Karabakh.

The West can count on assistance from Presidents Boris Yeltsin and Nursultan Nazarbayev, who also want Western observers to join the mediatory commission established by the Russian and Kazakh presidents in Transcaucasia, Ter-Petrosyan said.

Now that there is "a real threat to the physical existence of the Armenian population of Karabakh, it is not enough to consider the problem of the autonomous region only from the viewpoint of human rights, Ter-Petrosyan said.

The West should recognise the legitimacy of the national- liberation struggle by the people who stand on the verge of genocide and who have to resort to self-defence, he said.

It is also important to restore constitutional power bodies in Nagorno-Karabakh, for it is only they that can become a real guarantor of the elementary rights of the people of the region, Ter- Petrosyan said.

The president of Armenia stated that "contrary to a number of publications, the problem of Karabakh should not be viewed as as the result of religious antagonism".

Armenians have always maintained normal relations with the Muslim countries in the region. Large Armenian communities now exist in almost all Islamic countries, he said.

According to the Armenian parliament's press centre, Baroness Cox spoke of her forthcoming trip to the United States and Canada where she will have a series of meetings and speak on human rights protection matters.

This is why she considered it her duty to visit Karabakh and neighbouring Azerbaijan's Shaumyan district populated by Armenians. After visiting those areas, she arrived in Yerevan.

Caroline Cox said that during her three trips to Karabakh she saw for herself that a deliberate policy of deportation and physical extermination is being pursued against the region's Armenian population.

The baroness assured that she would use every opportunity to inform the international community of the state of affairs in Nagorno-Karabakh.

Further on Permanent Observers Role

OW2210031891 Moscow INTERFAX in English 1700 GMT 21 Oct 91

[Text] Armenian President Levon Ter-Petrosyan, who has met in Yerevan with the British MP [member of parliament] Caroline Cox, said that regardless of what the Western media had been saying, the Karabakh conflict should not be viewed as an instance of religious confrontation. He said the Armenians had always maintained good relations with neighboring Muslim nations.

Explaining his viewpoint to Mrs. Cox, who had just returned from a tour of Nagorno-Karabakh and Azerbaijan's Gheranboi (formerly Shauyanovsk) district, Mr. Ter-Petrosyan said the violation of human rights in Nagorno-Karabakh could not possibly be regarded as an internal affair of another country, since the very existence of Karabakhi Armenians was at stake.

The Armenian leader called for the permanent presence of foreign observers in Nagorno-Karabakh. He suggested the West should recognize the right of people facing the threat of genocide to defend their lives by any available means.

Interior Minister Views NKAO Tensions

OW2210032191 Moscow INTERFAX in English 1700 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Armenia's acting Interior Minister Ashot Manucharyan has told republican television that although tensions in Nagorno-Karabakh [Autonomous Oblast, NKAO] drastically increased after the four-side communique was signed in Zheleznovodsk, they are connected with the general critical trends in the country, rather than stem directly from the document's signing.

Commenting on the outcome of the Zheleznovodsk talks, Mr. Manucharyan said the need for a meeting of that kind had been obvious. He said its most important result was that Russia and Kazakhstan would have to act with more resolution to scale down tensions between Armenia and Azerbaijan.

Observers have already arrived in Nagorno-Karabakh from the Russian Federation and Kazakhstan to work out, with assistance from all parties concerned, a mechanism of negotiations on the Karabakh problem.

Ter-Petrosyan Wants To Meet Aliyev

NC2110211591 Yerevan Radio Yerevan International Service in Armenian 1730 GMT 20 Oct 91

[From the republican press review]

[Text] The papers report that the leaders of Armenia and Nakhichevan, Levon Ter-Petrosyan and Geydar Aliyev, have agreed on the resumption of train movement at Megrinskiy section of Azerbaijani Railways. Train movement through that section stopped in the middle of September.

In a telephone conversation, Levon Ter-Petrosyan has guaranteed the security of the trains passing through Megrinskiy section and has assured that, henceforth, the possible problems that might emerge between Armenia and Nakhichevan will be resolved speedily through constructive talks. Ter-Petrosyan has expressed his desire to meet Aliyev in the near future to sign a relevant agreement.

Azerbaijan

Mutalibov Comments on Uzbekitstan Accord

LD2010125191 Moscow Central Television Vostok Program and Orbita Networks in Russian 1630 GMT 19 Oct 91

[Text] [Correspondent Ganiyeva] Today's visit to Tashkent by a government delegation from the Azerbaijan Republic—headed by President Ayaz Mutalibov—is evidence of the resolve of sovereign states to continue to develop political, economic, scientific, and cultural links. So what were the priority issues at today's talks, taking place as they were against the background of a general crisis in society?

[Begin recording] [Uzbekistan President Islam Karimov] The main priority issue, if it can be put that way, is that in the very difficult conditions being experienced today by the whole of the former union—and that includes all the states and republics that comprise it—the difficulties can be overcome only if there is mutual support and two-way cooperation.

[Azerbaijan President Ayaz Mutalibov] It is a question of reaching a new level in relations between republics which have much in common—traditions, peoples, and customs. In short, neighbors.

[Ganiyeva] Ayaz Niyazovich, you were not at the Kremlin yesterday. Can you explain why?

[Mutalibov] Well, the fact is that when we discussed the draft of the economic treaty for the community of sovereign states in Alma-Ata, we stated our views and initialed the treaty. In other words, we endorsed it. But at the same time there were some reservations which will probably be worked out in a whole package of agreements to be appended to the treaty. Our absence should not be seen as something extraordinary, because we realize that there must be economic cooperation within the union framework. For many years our republics were involved, and indeed now too, in conditions of extremely difficult integration. And I agree with the proposition that it is impossible to have everything at once, and indeed it makes no sense to disregard that fact. [end recording]

[Ganiyeva] A treaty on the principles of interstate relations was signed at the meeting, as was an agreement on trade and economic cooperation between the Republics of Uzbekistan and Azerbaijan. The treaty is for a term of five years and still has to be ratified. The exchange of instruments of ratification will take place in Baku.

Supreme Soviet Approves Independence Act

NC2110170491 Baku Radio Baku Network in Azeri 0540 GMT 19 Oct 91

[From the republican press review]

[Text] The evening session that was held by the republic's Supreme Soviet yesterday was very symbolic. The deputies unanimously approved the constitutional act for the independence of the Azerbaijan Republic. This was the most significant development in Azerbaijan's history.

The newspapers today published reports by AZERINFORM and the parliamentary correspondents on the work of the evening session.

The draft agreement on economic construction caused a heated debate during the session. The Supreme Soviet voted against the republic signing the draft agreement.

President Ayaz Mutalibov's congratulatory message in connection with the approval of the constitutional act for the independence of the republic was published in the front pages of the newspapers. The president congratulated all the people of the republic and wished them success on the path leading to independence.

Popular Front Contemplates Provocation

OW2110161691 Moscow INTERFAX in English 1441 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] A massive meeting celebrating the adoption of the independence act by the parliament of Azerbaijan was held in Baku last Sunday [20 October] on the initiative of the Popular Front of Azerbaijan First Vice-Chairman of the Supreme Soviet of Azerbaijan, Ziad Said-Zade, read out Azerbaijan President Ayaz Mutalibov's message of greetings.

The Popular Front leaders warned the meeting that the centre was contemplating a provocation after the parliament of Azerbaijan proclaimed independence. They said that a special task force had been sent to Baku for this purpose. At the moment this task force is headquartered in hotel Nakhichevan.

The demonstrators demanded that the Supreme Soviet of Azerbaijan adopt a law on guarding the parliament.

On October 23 one more meeting in support of independence will be held in front of the president's residence.

Party Official on Army Formation, Tasks

LD2110165591 Moscow TASS in English 1638 GMT 21 Oct 91

[By correspondent Vadim Byrkin]

[Text] Stepanakert October 21 TASS—The Azerbaijanian army will disarm military formations in Nagorno-Karabakh only if Russia and Kazakhstan do not fulfil their obligations under the Zheleznovodsk communique, chairman of the Azerbaijanian Socialist-Democratic Party Araz Ali-Zade told TASS.

Under the Zheleznovodsk communique, the major work to disarm the formations should be done by Soviet Defence Minister Yevgeniy Shaposphnikov and Soviet Interior Minister Viktor Barannikov.

Russian President Boris Yeltsin and Kazakh President Nursultan Nazarbayev are the guarantors of the solution of this task.

"But I have a suspicion that the centre will not let them do it. That is why we have begun to form our, Azerbaijanian, army," the party chairman said.

Decree on Improving State Structures Reported

LD2110180591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1500 GMT 21 Oct 91

[Text] A decree by Azerbaijan President Ayaz Mutalibov is aimed at perfecting the structure and activities of the bodies of state power and government in rayons, cities, city rayons, villages, and settlements of the republic. It was passed with a view to strengthening discipline, organizing the effective management of the national economy of the republic, and guaranteeing unity in the actions of the bodies of executive power. In accordance with the decree, the post of head of executive power has been instituted in rayons, cities, and city rayons of Azerbaijan.

Nagorno-Karabakh Autonomous Oblast

Russian, Kazakhstan Observers Continue Work

LD2210005291 Moscow TASS International Service in Russian 1919 GMT 21 Oct 91

[By correspondent Vadim Byrkin]

[Text] Stepanakert, 21 Oct (TASS)—A group of observers from Russia and Kazakhstan is continuing its work in Nagorno-Karabakh. As a TASS correspondent was told by the mediating mission's information office, Azerbaijani representatives have expressed a readiness to resolve a number of problems in aviation and rail transport, communications, and the operation of the local TV station. On 21 October the observer group will again depart by air for rayons in Nagorno-Karabakh to familiarize itself with the situation firsthand.

Kazakhstan

Transport 'Breakdown' Causes Bread Shortage

PM2110103591 Moscow IZVESTIYA in Russian 19 Oct 91 Union Edition p 2

[Correspondent V. Ardayev report under the "Events and Commentary" rubric: "Bread Lines in Grain Republic's Capital"]

[Text] Alma-Ata—I did not recognize Alma-Ata on my return from a business trip: Excessively long lines had formed up at bread stores.

Since 14 October people have been waiting for hours in line for bread, receiving one loaf each "in the hand" (this is the new temporary norm), and then going to the end of the line again. Other people are returning home with sacks full of loaves. Just what has happened to the capital of Kazakhstan—a republic supplying the whole country with high-quality grades of grain?

In an interview with the republic newspaper N. Melnikov, director of the "Almaatakhleb" Association, although all the city's elevators are full, mills are punctually milling grain, and mechanized bakeries are working, a "bottleneck" has developed—the transportation of bread to the stores. [sentence as published] On 14 October, for example, there was a breakdown because the association received nine vehicles less than it should have, and straightaway 75 stores were unable to satisfy the demand for bread. But in addition the speculation that instantly arose played its part: People started to hoard bread, and the restrictions introduced temporarily did not help either. Now even 300-400 tonnes of bread per 24 hours, which was usually enough for the city, is not sufficient. And the transport stoppages are continuing. There was little point in finding out what was causing them—I grasped this yesterday, when I saw a suite of furniture being unloaded from a bread van outside an entrance to my block.

The other day journalists raised the bread question with Kazakh President N. Nazarbayev himself. He replied that, despite a bad harvest year (according to the forecast it will be possible to gather only 13 million tonnes of grain instead of the statistical average of 22 million tonnes), there is every chance of supplying last year's level of grain products to the republic's population. The president added nothing about the bread situation in Alma-Ata—probably because the moment chosen for the question was not altogether opportune: It was asked at a news conference given by Nazarbayev and German Foreign Minister Genscher.

Tajikistan

State of Emergency Declared 'Illegal'

LD2110182891 Moscow TASS in English 1757 GMT 21 Oct 91

[Text] Moscow October 21 TASS—Chairman of the Soviet Constitutional Compliance Committee Sergey Alekseyev considers illegal the state of emergency in the Tajik capital.

He made an official statement to this effect here today in connection with the inquiry of the Presidium of the Tajik Supreme Soviet on the correspondence of the state of emergency, introduced in Dushanbe late last September, to the law.

The state of emergency was introduced on September 23 by an extraordinary session of the Tajik parliament in response to rallies of advocates of the republican Communist Party and a number of opposition parties, including the Islamic Party of Revival, who were seeking power.

Alekseyev is confident that the use of the state of emergency as means of political struggle is inadmissible. In this connection, the chairman of the Soviet Constitutional Compliance Committee noted the need to "adopt decisions to provide the restoration of constitutional order" in the republic.

Supreme Soviet To Discuss Islamic Party Ban

OW2110182991 Moscow INTERFAX in English 1441 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] On Tuesday [22 October], the Supreme Soviet of Tajikistan will open its regular session in Dushanbe. It will discuss the implementation of the agreement between the presidium of the republic's Supreme Soviet and the opposition, reached during the recent talks which also involved mediators Anatoliy Sobchak and Yevgeniy Velikhov.

Among other important issues, the deputies will discuss the lifting of the ban on the Islamic Party of Revival.

The Presidium of Tajikistan's Supreme Soviet has already received the Islamic Party's application for holding its constituent congress on October 26.

Foreign Ministry Talks With Afghan President

OW2110183191 Moscow INTERFAX in English 1441 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] Tajikistan's Foreign Ministry, through its diplomatic channels, informed President Najibollah of Afghanistan that "instances of Afghan aircraft violating Tajikistan's air borders have become quite frequent".

This information is presented in a report circulated by the Tajik Foreign Ministry's press group.

The report says that President Najibollah expressed regret over these violations and confirmed that in individual instances Afghan air crews had to land in Soviet territory because of technical malfunctions.

All of these instances, he said, will be investigated by the Afghan top military leaders.

Turkmenia

Democrats Hold Constituent Congress

OW2110182191 Moscow INTERFAX in English 1441 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] The constituent congress of the Democratic Party of Turkmenia, held in Moscow on Sunday [20 October], approved the party's policy documents which set forth the party's plans to "campaign for ensuring Turkmenia's transition from a totalitarian-communist system to a democratic society."

Chairman of the Democratic Party, Durdymurad Khodzha-Mukhammed, said that the congress was held in Moscow because the Turkmen authorities had not allowed the party to hold it in Ashkhabad.

To quote Mr. Khodzhi-Mukhammed, the party's first-priority goal is to ensure that "all citizens of the republic exercise their democratic rights and freedoms".

In the economic aspect, the party comes out for "free competition and entrepreneurship, based on private property".

Mr. Khodzhi-Mukhammed said that Turkey provided the most optimal economic guidelines for Turkmenia.

President To Pay Official Visit to Turkey

OW2210032691 Moscow INTERFAX in English 1700 GMT 21 Oct 91

[Transmitted via KYODO]

[Text] President Saparmurad Niyazov of Turkmenia has accepted the invitation of his Turkish colleague Turgut Ozal to pay an official visit to Turkey. This was announced at a conference of Turkmenian ministers and creative intellectuals on Monday.

As IF's [INTERFAX] reporter has learnt from the presidential press service, the visit is expected to take place in November.

Uzbekistan

People's Movement Registration Delayed

PM2110142991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Oct 91 p 1

[A. Usmanov report: "The Minister Has Decided To Wait"]

[Text] Tashkent—The question of registering the "Birlik" Uzbek People's Movement will again not be discussed at today's session of the Uzbekistan Ministry of Justice Collegium. Despite an affirmative conclusion by the expert commission.

Immediately beforehand, "Birlik" leaders had a long talk with Minister of Justice B. Malikov, who stressed: "I see no reasons for refusing registration, it is simply that the registration will be rather late."

It is easy to guess what the minister preferred not to mention. Just before the presidential elections, it is better not to have to deal with a serious rival like "Birlik."

But there have been some indulgences nonetheless. For example, six young citizens, some of whom are "Birlik" members and were earlier accused of committing a serious criminal offense, have been released from custody in Kokand. The republic's Ministry of Justice has indicated its willingness to register the "Birlik" Democratic Party, which is part of the people's movement. However, it is far more difficult to officially recognize a "fully fledged" opposition...